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EAST INDIA (MINT FOR GOLD COINAGE).

RETURN to an Address of the Honourable the House of Commons, dated 27 January 1913; *for*

"COPY of PAPERS, including COMMUNICATIONS which have passed between the SECRETARY OF STATE FOR INDIA and the GOVERNMENT OF INDIA, regarding the question of the ESTABLISHMENT of a MINT for the COINAGE of GOLD in INDIA."

India Office,
31 January 1913.

T. W. HOLDERNESS,
Under Secretary of State for India.

(*Mr. G. A. Touche.*)

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14	Letter and 4 enclosures.	5 Oct.	Government of India.	Secretary of State for India.	Refers to No. 12. Views on points raised by Mr. Seymour in No. 10. Proposals for establishment of a branch of the Royal Mint at Bombay. Enclose Draft Proclamation, Mint Regulations and Rules in force in India.	18
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16	„	25 Oct.	Viceroy	Secretary of State for India.	Refers to No. 15. Prefers to make certificates payable in legal tender (gold, silver, or notes) at Government option, but has no objection to expressly giving option to public.	24
17	Letter	7 Nov.	India Office	Treasury	Refers to No. 10. Forward copy of correspondence with Government of India. Hope that steps may be taken for issue of Royal Proclamation.	25
18	Letter, with an enclosure.	1900. 10 Jan.	Treasury	India Office	Refers to Nos. 5 and 17. Prepared to recommend establishment of branch of Royal Mint in India, under control of Treasury, on same lines as similar establishments in Australia, provided Government of India defray expenses. Enclose revised draft Proclamation. As to treatment of worn gold coin.	25
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20	Letter	22 Feb.	Government of India.	Secretary of State for India.	Have no modification to suggest in draft Proclamation. Willing to defray expenses mentioned by Treasury, except that incurred in replacing worn half-sovereigns.	28
21	„	10 Mar.	India Office.	Treasury	Government of India agree to suggestion that Mr. Barton, of the Melbourne Mint, should proceed to Bombay to report on capabilities, &c., of mint for coinage of gold.	29
22	„	20 Mar.	„	„	Hope that assurances of Government of India will enable Treasury to take requisite steps for issue of Proclamation.	29
23	Letter, and an enclosure.	28 Mar.	Treasury	India Office	Instructions to Mr. Barton. Memorandum on machinery of Bombay Mint from point of view of its suitability for coinage of gold.	29

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No.	Document.	Date.	From	To	Subject.	Page.
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35	Telegram	26 Sept.	Viceroy	Secretary of State for India.	Considers Mr. Seymour's expansion of Mr. Barton's scheme unnecessary; requests approval to preparation of working plans on basis of Mr. Barton's scheme.	46
36	Letter	5 Oct.	India Office	Treasury	Agree with view of Government of India that Mr. Barton's scheme is sufficient for the present.	46
37	„	29 Oct.	Treasury	India Office	Refers to No. 36. Mr. Barton now considers space provided for coining insufficient and recommends acquisition of extra ground.	46
38	Despatch	8 Nov.	Secretary of State for India.	Government of India.	Forwards copies of Nos. 36 and 37.	47

No.	Document.	Date.	From	To	Subject.	Page.
39	Letter	1901. 10 Jan.	Government of India.	Secretary of State.	Refers to No. 38. Forward revised plan embodying suggestions of Mr. Barton and Mr. Seymour. Plans for addition of a gold refinery to the silver mint are in preparation.	47
40	„	29 Jan.	India Office	Treasury	Forward copy of No. 39 -	48
41	„	12 March	Treasury	India Office	Refers to No. 40. Mr. Seymour cannot accept accommodation provided in plan as adequate, but will await further particulars from Government of India.	48
42	„	15 March	India Office	Treasury	Suggest that Lieut.-Col. Scott, R.E., Calcutta Mint Master, should discuss question with Mr. Seymour.	49
43	„	4 April	Treasury	India Office	Concur in above suggestion -	49
44	„	15 April	India Office	Lieut.-Col. B. Scott, R.E., Mint Master at Calcutta.	Instruct him to communicate with Mr. Seymour.	50
45	„	15 April	„	Treasury	Government of India have been asked when plans for mint and gold refinery may be expected.	50
46	„	22 April	„	Treasury *and* Lieut.-Col. B. Scott, R.E.	Plans will be forwarded from India by the beginning of July.	51
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49	„	6 May	India Office	Lieut.-Col. B. Scott, R.E.	Acknowledge No. 48 - -	52
50	„	„	„	Treasury	Forward copy of No. 48. Should any further communication be made to Government of India?	52
51	Letter and an enclosure.	22 May	Treasury	India Office	Proposed establishment of a branch of the Royal Mint at Bombay. Suggest review of question as to whether advantages of scheme are not wholly incommensurate with expense. Mr. Seymour's report of agreement arrived at with Colonel Scott.	52
52	Telegram	23 May	Secretary of State for India.	Viceroy	Suggests suspension of work on plans and estimates.	54
53	Letter	18 June	India Office	Treasury	Refers to No. 51. Secretary of State is not prepared to abandon scheme and asks for statement of objections to Mr. Seymour's proposals.	54

No.	Document.	Date.	From	To	Subject.	Page.
54	Letter	1901. 9 July	Treasury	India Office	Refers to No. 53. Demur to undertaking responsibility for any minting operations other than the coinage of sovereigns; Mr. Seymour's scheme is not a practical solution of the difficulty; consider it unnecessary to provide facilities for coinage of gold in India. If scheme is to be proceeded with, advise adoption of plan agreed upon by Mr. Seymour and Colonel Scott, and that a branch mint should be established under supervision of Treasury and Royal Mint for coinage of gold only.	55
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56	Letter	1902. 25 Dec.	Government of India.	Secretary of State for India.	Refers to No. 55. Prefer to drop the scheme for the present.	56
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58	Telegram	1912. 16 May	„	Viceroy	Asks if views of Local Governments, Chambers of Commerce, and Presidency Banks have been obtained regarding proposals in No. 59.	57
59	Letter	16 May	Government of India.	Secretary of State for India.	Proposal to open a mint in Bombay for coinage of sovereigns. History of the question.	57
60	Telegram	18 May	Viceroy	„	Refers to No. 58. In view of discussion to which question has been subjected, does not consider it necessary to collect further opinions.	63
61	Letter	27 June	India Office	Treasury	Asks if Treasury will agree to maintenance of a staff at Bombay, subject to control of the Royal Mint in respect of all purposes connected with coinage of sovereigns, but at disposal of Government of India for purposes of such duties as are now carried on by the Government of India.	63
62	Letter	8 Aug.	Treasury	India Office	Refers to No. 61. Unable to agree to scheme. Offer two alternative proposals.	64
63	Despatch	18 Oct.	Secretary of State for India.	Government of India.	Refers to No. 59. Forwards copies of correspondence with Treasury. If Treasury's alternative proposals are dismissed suggests coinage of a separate Indian gold coin of the denomination of, say, Rs. 10.	65

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EAST INDIA (MINT FOR GOLD COINAGE).

"COPY of PAPERS, including COMMUNICATIONS which have passed between the SECRETARY OF STATE FOR INDIA and the GOVERNMENT OF INDIA, regarding the question of the ESTABLISHMENT of a MINT for the COINAGE of GOLD in INDIA."

No. 1.

SECRETARY OF STATE to VICEROY, dated 25th July 1899.

(Telegraphic.)

MY telegram, 7th July, Currency Committee Report. Despatch dated 25th July, No. 140, goes by next mail, as follows:—Recites reference to Committee of your predecessor's proposals and terms of reference, also receipt of Report, which has been forwarded to you and presented to Parliament. Rehearses briefly main recommendations of Report, and states that Her Majesty's Government have given it careful consideration, which its great importance deserves, are impressed by facts and arguments contained in it, and have come to conclusion that it is advisable to accept generally and to act upon principles which it recommends. Have therefore decided in Council that policy of keeping mints closed to unrestricted silver coinage shall be maintained, and request you will, as soon as you may deem expedient, take necessary steps for making British sovereign legal tender and current coin, and that you will make preparations for coinage of gold under conditions suggested by Committee. As regards permanent ratio, after careful consideration have no hesitation in accepting view of majority, namely, sixteen pence, and in this opinion am confident you will concur. I agree with Committee as to general principles by which your Government should be guided in management of gold reserve in absence of legal obligation to give gold for rupees, *see* paragraph 59, second part. I particularly commend to your attention important recommendation of Hambro, separate report. Also strong opinion against borrowing for currency purposes expressed by Campbell, Holland, Muir, separate report, and supported by recommendation of Committee, paragraph 70, against increase of gold obligations, will no doubt have your careful consideration. Shall be glad to receive any observations or suggestions which your Excellency's Government may desire to make for furtherance of policy which has been adopted. Ends: I propose to present Despatch to Parliament without delay, probably within two days.

No. 2.

Despatch from the Right Hon. LORD GEORGE HAMILTON, SECRETARY OF STATE FOR INDIA to the GOVERNMENT OF INDIA, No. 140 (Financial) dated 25th July 1899.

IN my Despatch dated the 7th of April 1898, No. 67,* I informed your predecessor that it had been decided to refer to a Committee the proposals made by his Government with a view to the completion of the policy initiated in 1893, when, as a first step towards the establishment of a gold standard in India, the Indian mints were closed. The terms of reference were as follows:—"It will be "the duty of the Committee to deliberate and report to me upon these proposals "and upon any other matter which they may regard as relevant thereto, including "the monetary system now in force in India, and the probable effect of any "proposed changes upon the internal trade and taxation of that country; and "to submit any modifications of the proposals of the Indian Government, or any "suggestions of their own, which they may think advisable for the establishment "of a satisfactory system of currency in India, and for securing, as far as is "practicable, a stable exchange between that country and the United Kingdom."

2. The Report of that Committee was presented to me on the 7th of July, and on that day I communicated its main provisions to your Excellency by telegraph. The Report was at the same time presented to Parliament, and copies have been forwarded to your Government in ordinary course.

* *Note.*—Presented to Parliament in C. 8840 of 1898.

3. In their Letter of the 24th of March 1898, No. 92,* forwarding Letters from important bodies in Bombay on the currency situation, the Government of your predecessor stated that they had finally decided not to revert to the silver standard. In this decision the Committee express their concurrence; and they go on to indicate their conclusion that steps should be taken to avoid all possibility of doubt as to this determination, and to proceed with measures for the effective establishment of a gold standard. With this view, they recommend that the British sovereign be made a legal tender and a current coin in India, and that the Indian mints be thrown open to the unrestricted coinage of gold. But, while making this recommendation, the Committee think it undesirable that any limit should be imposed on the amount for which rupees should be a legal tender; nor do they consider that you should undertake any obligation to pay gold in exchange for rupees.

4. Your Excellency will therefore observe that the Committee are in agreement with the Government of your predecessor as regards the main lines of policy to be adopted, while differing from them as to the means by which the objects in view should be attained. While concurring in the opinion of that Government that the mints should remain closed to the unrestricted coinage of silver, and that a gold standard should be adopted without delay, the Committee do not recommend the practical steps proposed for the attainment of this object by the Government of your predecessor, whose recommendations, in the opinion of the Committee, might probably have been modified if they could have foreseen the course of events during the past year, and would seem to have been based to an undue extent on a belief in the immediate effect of a contraction of the currency in raising exchange.

5. With regard to the rate at which, if the above-mentioned recommendations are accepted, the rupee should be valued in sterling, the Committee are not unanimous; inasmuch as two members are in favour of a rate of 15 pence; eight, including the Chairman, advise the definite adoption of the rate of 16 pence, which, with unimportant variations, may be said to have been the rate in force during the last eighteen months; and one, while agreeing with the principles of the Report, would prefer to take no immediate action for fixing a ratio.

6. Her Majesty's Government have given to this Report the careful consideration which its great importance deserves; they are impressed by the array of arguments and facts embodied in it; and they have come to the conclusion that it is advisable to accept generally and to act upon the principles which it recommends.

7. I have therefore decided in Council that the policy of keeping the Indian mints closed to the unrestricted coinage of silver shall be maintained; and I request that you will, as soon as you may deem it expedient, take the necessary steps for making the British sovereign a legal tender and a current coin, and that you will make preparations for the coinage of gold under the conditions suggested by the Committee. As regards the permanent ratio which the rupee should bear to the sovereign, after carefully weighing the arguments of those who are in favour of a lower rate than that which now obtains, I have no hesitation in accepting the view of the majority, who recommend an exchange rate of 16 pence per rupee, or 15 rupees to the sovereign; and in this opinion I am confident that your Excellency's Government, especially after the experience of the last eighteen months, will be disposed to concur.

8. I am also in accord with the Committee as to the general principles by which your Government should be guided in the management of your gold reserve in the absence of a legal obligation to give gold in exchange for rupees, namely, that you should make it freely available for foreign remittances whenever exchange falls below specie point, under such conditions as the circumstances of the time may render desirable.

9. I desire particularly to commend to your attention the important recommendation with regard to the improvement and concentration of banking facilities, contained in the separate report of Mr. Hambro.

10. The strong opinion against sterling borrowing for currency purposes which is expressed in the separate report of Mr. Campbell, Mr. Holland, and Sir John Muir, and which is, to some extent, supported by the unanimous recommendation

* *Note.*—Presented to Parliament in C. 8840 of 1898.

of the Committee in favour of a restriction of the growth of your Government's gold obligations, will no doubt have your careful consideration.

11. I shall be glad to receive any observations or suggestions which your Excellency's Government may desire to make for the furtherance of the policy which has been adopted.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 3.

SECRETARY OF STATE to VICEROY, dated 27th July 1899.

(Telegraphic.)

MY financial telegram 25th.* Currency Report. I am consulting Treasury as to Proclamation.

No. 4.

VICEROY to SECRETARY OF STATE, dated 31st July 1899.

(Telegraphic.)

YOUR telegram of 27th July. We are preparing for gold coinage. Should be glad to be informed by you of terms of Proclamation before it is settled finally.

No. 5.

INDIA OFFICE to TREASURY, dated 3rd August 1899.

IT having been decided that, as soon as the Government of India may deem it expedient, the necessary steps shall be taken for making the British sovereign a legal tender and a current coin, and that gold shall be coined in India, the ratio to be adopted being that of 15 rupees to the sovereign, it becomes necessary to consider what steps should be taken in order to enable the Government of India to issue sovereigns from the mints in that country.

By the Coinage Act of 1870 Her Majesty in Council is empowered by proclamation to direct the establishment of any branch of the mint in any British possession; and, therefore, the mints at Calcutta and Bombay can apparently be declared to be such branches, and be authorised to coin gold.

It is, however, requisite for the Government of India to retain the power of coining for its own purposes, though not on the demand of the public, silver rupees, which, for the present, at any rate, must remain unlimited legal tender in India, and I am desired to inquire whether, in the opinion of the Lords Commissioners, this right would be vitiated in respect of any mint so declared to be a branch of the Royal Mint.

If the Lords Commissioners see no objection on this or any other ground, to the procedure above mentioned, I am directed by the Secretary of State in Council to ask what steps should be taken in order to carry it into effect.

No. 6.

VICEROY to SECRETARY OF STATE, dated 16th August 1899.

(Telegraphic.)

OUR telegram of 31st July. Gold coinage. After examining proclamation establishing branch mint at Perth, Western Australia, we are of opinion that the substance of first four clauses would be sufficient for Indian proclamation, so far as we are concerned. Our Bill will provide for matters dealt with in Clause 5. Bombay Mint only need be proclaimed a branch of Royal Mint, not Calcutta Mint.

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* No. 1 of present series.

No. 7.

INDIA OFFICE to TREASURY, dated 16th August 1899.

I AM directed by the Secretary of State for India in Council to enclose, for the information of the Lords Commissioners of the Treasury, a copy of a telegram received to-day from the Viceroy on the subject of the steps to be taken with a view to the coinage of sovereigns in India, and, with reference to my previous letter of the 3rd instant, to request that he may be favoured, as soon as possible, with a statement of their Lordships' views.

No. 8.

SECRETARY OF STATE to VICEROY, 16th August 1899.

(Telegraphic.)

YOUR telegram of 16th. No objection to legislation for making British and Colonial sovereigns legal tender in India. But you should await my reply as to proclamation before you introduce legislation for issue of gold coins from Indian mints. I hope to reply very shortly.

No. 9.

Letter from the GOVERNMENT OF INDIA to the SECRETARY OF STATE FOR INDIA, No. 301 (Finance and Commerce), dated 24th August 1899.

WE have the honour to acknowledge the receipt of your Lordship's Despatch No. 140, dated the 25th July 1899, forwarding the Report of the Indian Currency Committee. We are informed that Her Majesty's Government have been greatly impressed by the facts and arguments embodied in the Report, and have come to the conclusion that it is advisable to accept generally the recommendations of the Committee and to act upon them. Your Lordship has accordingly decided in Council to accept these recommendations, and we are requested to take the measures necessary to carry them into effect. Your Lordship at the same time invites any remarks or suggestions which we may desire to make for the furtherance of the policy which has been adopted.

2. Before proceeding to state the measures and suggestions that commend themselves to us, we desire to express our general gratification at the Report of the Committee. The result will be, we trust, the termination of a prolonged period of uncertainty and anxiety in the trade and public finance of this country. From 1875 to 1892 the question of the exchange value of the rupee was the one financial question dominating all others in India. In the uncertainty as to the course of exchange from week to week, it was impossible to frame a budget with any approximation to certainty or to conduct a mercantile operation without either accepting a peculiar risk or making insurance against it. Henceforward our monetary standard will cease to be affected by the political and financial action of foreign countries while, if negotiations should again, at any future time, be initiated for an international agreement with regard to the coinage of gold and silver, India would be able for the first time to enter upon such negotiations on equal terms. We look forward to the removal of one of the main causes which have not merely hindered capital from seeking India, but have driven away capital that had already found its way to our shores; and the elimination of the uncertain element of exchange from our calculations may, we hope, enable us to direct our attention at an early date to the alleviation of the burden of taxation and the establishment of a financial reserve.

3. We now proceed to the consideration of the specific recommendations of the Committee. These are—

(*a*) that the Indian mints shall continue closed to the unrestricted coinage of silver and should be opened to the unrestricted coinage of gold;

(*b*) that the sovereign should be made legal tender and current coin;

(*c*) that the ratio between the rupee and the pound sterling should be 15 rupees to the pound, *i.e.*, that the exchange value of the rupee should be 1*s.* 4*d.*;

(*d*) that no legal obligation to give gold for rupees should be accepted, but

(*e*) that the gold reserve now in course of accumulation should be made freely available for foreign remittances whenever exchange should fall below gold specie point, under such conditions as the circumstances of the time may render necessary.

In addition to these five recommendations, which your Lordship has accepted, you commend to our particular attention the important suggestion made in a separate report by Mr. Hambro for the improvement and concentration of banking facilities by the foundation of a large bank on the lines of the Bank of England or the Bank of France. Your Lordship is also confident that the strong opinion against sterling borrowing for currency purposes expressed by three members of the Committee will have our careful consideration.

4. Having regard to the course of events during the last seven years, it is unnecessary to say more in regard to the recommendation to keep the mints closed to the unrestricted coinage of silver than that we entirely concur in the desirability of removing all doubt on this point. We consider that the exhaustive examination which this subject has received for so many years warrants us in regarding the discussion as now closed. In future, in so far as the coinage of rupees is concerned, the mints will be employed to coin only such quantity as may be demanded by the needs of the country for current circulation. And here we may remark that our estimate of such requirements would be materially facilitated if it should be found possible to give effect to the suggestion made by Mr. Hambro for the establishment of a bank. The proposal made by the Committee that any profit made on rupee coinage should be held in gold as a special reserve has not escaped our attention; but the need for the coinage of additional rupees is not likely to occur for some time, and a decision on this point may conveniently be deferred. Meanwhile, our mint operations with regard to silver will be confined to the coinage of fractional silver, to the recoinage of rupees which have ceased to be current from wear and tear or otherwise and are withdrawn from circulation, and possibly to the coinage into British Indian rupees of the silver coins of such Native States as may desire to make arrangements with us to substitute our rupees for their local coinage, following the example of the States of Bhopal and Kashmir.

5. Your Lordship is already aware of our intention to act upon the recommendation that the sovereign should be made legal tender and current coin by the introduction without delay in the Legislative Council of a Bill amending the Indian Coinage Act for that purpose. We understand that your Lordship is taking the necessary steps for the issue of a proclamation declaring the Bombay Mint a branch of the Royal Mint, authorising the coinage therein of British gold coins, and declaring gold coins coined in it legal tender in the United Kingdom. Our intended legislation will provide for such coinage at any of our mints declared to be a branch of the Royal Mint. We do not think it necessary to have the Calcutta Mint declared a branch of the Royal Mint, for most of the gold imported into India and all the gold produced in the Indian mines finds its way to Bombay. We have, indeed, had under our consideration the question whether the Calcutta Mint might not be abolished, but we prefer to reserve our decision until we ascertain whether the Bombay Mint, if declared a branch of the Royal Mint, can conveniently execute the coinage of rupees, and whether in that case this mint will be equal to all requirements as regards the coinage of gold, silver (including the British dollar) and copper.

6. We are aware that an opinion is entertained in certain quarters that it would be expedient to defer the legislation required to make the sovereign legal tender in India, because when gold coins become legal tender they may accumulate in our reserve less rapidly than when the rupee is the only legal tender. It is possible that when sovereigns are made legal tender they may be held by the banks in their reserves or may pass into circulation to some extent instead of going into our reserve. But admitting this to be possible, we do not believe that it will occur to an extent sufficient to make an appreciable difference in the rapidity with which sovereigns will find their way into our reserve. Such sovereigns as may be retained by the banks in reserve will be available for foreign remittance when exchange tends to decline and will *pro tanto* diminish resort for that purpose to the Government reserve. But whenever exchange rises above the rate of 1*s.* 4*d.*, as it may be expected to do during every busy season, sovereigns, whether held by the banks or passed into general circulation, except such as may find their way into hoards, should be presented to us

by their holders for the profit to be made on their exchange for rupees. We consider, therefore, that when, after long consideration and discussion, it has been finally decided to make gold legal tender, and the rate has been settled, it would be inexpedient to delay giving effect to the decision.

7. We entirely agree with your Lordship in accepting the recommendation made by the majority of the Committee that the rate of exchange to be adopted in making gold legal tender should be 1*s.* 4d. the rupee. On this point the arguments of the majority carry to our minds infinitely more weight than the arguments in favour of a rate of 1*s.* 3*d.* which are indeed mainly based upon a comparison between the statistics of a fairly good year and two exceptionally bad years. To adopt any other rate at this moment than that to which prices and other conditions have been adjusted during the last twenty months would be an unnecessary disturbance of existing conditions, especially when we reflect that such disturbance must of necessity have for immediate effect a very large addition (over Rx. 1,500,000) to the number of rupees required to discharge our sterling obligations. Finally, if the lower rate were adopted, we do not believe that it would be steadily established in a short time; on the contrary, such a backward step would promote a sense of uncertainty and hesitation and there would be a revival of speculation in exchange based on the probability that the lowering of a rate which, if not originally intended to be final, has at any rate established itself as final in popular opinion, would sooner or later be followed by further changes. We are confident that it is not more difficult to secure permanent stability at the rate of 1s. 4*d.* than at any other rate.

8. We note with great satisfaction that the Committee and your Lordship are agreed that we should not accept any legal obligation to give gold in exchange for rupees. To undertake such an obligation at this stage would involve borrowing an indefinite amount of gold for the purpose of convertibility and to such a course there are the strongest and most obvious objections. Moreover, a stock of gold acquired for this object would be watched with excessive anxiety, and any shrinkage in its amount would be likely to foster apprehension if not panic. At the same time we hasten to add that we must aim at the attainment, with the least avoidable delay, of practical convertibility, such as exists in France.

9. We also concur in the determination that the rupee shall remain full legal tender as at present. It is not likely that gold will ever penetrate freely into the country, or be used except in the larger centres and to some extent along the railways, since gold coins represent too great a value for ordinary transactions, which will in the main continue to be carried out by the use of silver. Gold in our opinion will remain a marginal currency. Any restriction on the use as legal tender of the rupee would, moreover, be an unnecessary and arbitrary interference with the habits of the native population. The closing of the mints, essential as that measure was, has had a certain depressing effect upon that metal which forms the favourite investment of the savings of the people; and any semblance of hostility to silver should, in our opinion, be rigorously avoided. We do not anticipate any more inconvenience under such conditions than has been felt in France from the maintenance of the full legal tender value of a mass of silver currency which is probably at least equal to the dimensions of our rupee currency.

10. The question of making our gold reserve freely available for foreign remittance is one in which the Indian business community is keenly interested. It is a question that touches them more nearly than any other connected with the currency, and hence it is that they have given such a large measure of approval to proposals for establishing a fund to be specially kept available for foreign remittances. But, though we could not consent to such proposals, we have the strongest opinion that our gold reserve should be available for foreign remittances, and that the natural and proper function of gold, when the standard is established, will be to flow in and out of the country in response to the seasonal demands of trade, and so to impart elasticity to our currency. After the gold standard had been firmly established, the inflow and outflow of gold will be automatic; but at the beginning of the new system the particular manner in which the gold reserve may be drawn upon for the purpose of securing stability in exchange must be considered and determined in the light of circumstances as they may arise. Probably for some time to come the only method to be employed will be to remit gold to your Lordship when exchange shows a tendency to fall below specie point, and to reduce the drawing of Council bills by

an equivalent sum. We may also proceed in time to discharge obligations in gold, or to pay certain classes of currency notes in gold, and gold so paid would reach the banks and be made available for foreign remittance.

11. The question discussed in the preceding paragraph leads to the consideration of the opinion given by three members of the Committee against sterling borrowing for currency purposes. As we have already said, we are absolutely opposed to borrowing for the purpose of securing convertibility, and we are also opposed to any immediate borrowing in order to accumulate a stock of gold for the purpose of maintaining exchange. But our reasons in the two cases are different. We refuse to borrow to ensure convertibility because of the risk involved, and we prefer to adopt the sounder and safer course, which has been adopted by other countries, of proceeding by gradual steps to convertibility. We equally deprecate any immediate borrowing for the purpose of maintaining exchange; such borrowing may never become necessary, and would in that case impose an unjustifiable charge for interest on the taxpayer. At the same time, the increase of our gold obligations would tend to retard the success of our currency policy, and in this connection we may note that we concur with the Committee in deprecating the increase of our general sterling obligations. But we cannot conceal from ourselves that if India were afflicted with famine or other adverse circumstances in the earlier years of our new currency, and before an adequate reserve had accumulated, circumstances might arise in which borrowing to maintain the standard would become an absolute necessity. We should have preferred, as we have informed your Lordship by telegram*, to have been armed against such a contingency, which can never be left out of calculation by an Indian Government, not by actual borrowing but by obtaining power to borrow. The possession of such powers, in our opinion, would go far to render any exercise of them unnecessary owing to the public confidence which their existence would inspire. Such powers might have been taken for a limited period and for a definite amount, and would have been exercised exclusively, if ever necessity arose for exercising them, for the single purpose of maintaining stability in exchange. We further hoped that it might have been found possible to take such powers in conjunction with Her Majesty's Government. An association of the two Governments for so limited and specific a purpose would not have impaired the financial independence of India, and we cannot conceive that the Imperial Government would have been reluctant to give India the use of the Imperial credit for such an object. We have learnt with satisfaction since we urged these considerations that your Lordship has stated in the House of Commons, in the debate on the Indian Budget, that borrowing would be resorted to if it should prove to be necessary. But we think it right to explain fully the reasons which led us to urge our views upon your Lordship, and we believe that, had the course we advocated proved practicable, our new currency policy would have, at any rate in this country, commanded more immediate assent and confidence.

12. It only remains for us to discuss Mr. Hambro's proposal for the establishment of a strong bank. There can, we think, be no question that, for the purpose of the effective maintenance of the gold standard, a bank with a large sterling capital, and constituted on the model of the Bank of England or Bank of France, would be a very powerful support to the State. Such a bank would be better able to measure and deal with the requirements of trade for foreign remittances than any Government, and it would have the capacity, which a Government Department cannot be expected to possess, of preventing unnecessary export of gold without hampering trade. An institution of the kind would also be most effective in promoting the circulation of gold. It would, again, be an effective agent for securing an increased circulation of fiduciary money, and we might find it possible to entrust it with the management of the Government paper currency. Apart altogether, however, from the question of the gold standard, we consider that the constitution of such a bank is desirable. The three Presidency banks do not command separately or together a capital adequate to the commercial requirements of the country, or sufficient to prevent excessive fluctuations in the rates of discount at different seasons of the year; while the legislative restrictions under which they conduct their business and the sharp division of their respective spheres of influence, however necessary or expedient at a former period, now form an obstacle to business. The Presidency banks, however, have in the past done good service, and the Government owe them full consideration apart from any actual contract or legal obligations.

* Not printed.

We think, therefore, that in the first instance the attempt should be made to absorb the three existing banks in one strong establishment, constituted on a sterling basis, care being taken that the interests of holders of shares in the banks should be fully protected and secured. The whole question is one that will require careful consideration, and we propose to address your Lordship again on the subject after ascertaining the views of the banks and of the mercantile community.

We have, &c.
(Signed) CURZON OF KEDLESTON.
W. S. A. LOCKHART.
E. H. H. COLLEN.
C. M. RIVAZ.
C. E. DAWKINS.
T. RALEIGH.
R. GARDINER.

No. 10.

TREASURY to INDIA OFFICE, dated 28th August 1899.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letters of the 3rd August and 16th August on the subject of the proposal to give facilities for the coinage of gold in India similar to those which prevail in three of the Australasian Colonies; and I am directed to state that, in the opinion of this Board, the most helpful way in which my Lords can assist the immediate consideration of the subject will be to send you, for the information of the Secretary of State for India in Council, the enclosed copy of a report which has been obtained from the Deputy Master of the Mint in London.

It would seem that several points need to be carefully examined before any branch of the Imperial Mint in India can be actually established.

It occurs to my Lords that it may be well to direct the present Bombay Mint to send full particulars of its coinage appliances, of its staff employed, and of the salaries paid, and also a plan of the building.

I am to add that the opinion of the Law Officers may have to be invited on certain points, as, for instance, what provisions the proclamation by Her Majesty in Council will have to contain, and whether, regard being had to the wording of the Coinage Act of 1870 (33 Vict. c. 10. s. 11), the imposition of a charge for the coinage of gold could or could not be dispensed with.

Enclosure in No. 10.

ROYAL MINT to TREASURY, dated 15th August 1899.

UNDER the existing law (the *Indian* Coinage Act of 1870) the Governor-General in Council may by notification in the Gazette of India establish a mint at any place in British India, other than Calcutta and Bombay, and abolish any mint so established or any mint so now existing in British India—Section 28 (8) (9).

The only gold coins legally coinable at the Indian mints now or hereafter established are,—(1) the gold mohur or fifteen-rupee piece; (2) the five-rupee piece; (3) the ten-rupee piece; (4) the thirty-rupee piece or double mohur (Section 4). These coins are not legal tender (Section 12). A duty is leviable upon all gold and silver bullion and coin brought for coinage (Section 20), and also a charge for melting and cutting (Section 22). A further charge is prescribed for refining (Section 23). The Governor-General in Council can fix the number and duties of the officers of, and persons employed in, the mint (Section 27), and regulate any matters relative to coinage and to the mint which are not provided for by the Act.

So far as the Governor-General is concerned, therefore, he has no power to coin sovereigns without a fresh Act.

Under the Coinage Act of this country, 33 Vict. c. 10, sovereigns are coinable at the Royal Mint of the weight and fineness prescribed in the First Schedule of the Act. Under Section 4, gold coins issued by the mint are, within the conditions laid down by the section, legal tender for a payment of any amount. Under Section 5, no piece of gold, &c., of any value whatever shall be made or issued as a coin except by the mint. Under Section 8, gold bullion brought to the mint is, subject to conditions, to be assayed and coined and delivered to the persons bringing it free of charge.

Under Section 11, (8) it is lawful for the Queen in Council to direct by proclamation the establishment of any branch of the Mint in any British possession, and to impose a charge for the coinage of gold thereat, to determine the application of such charge, and the extent to which such branch is to be deemed part of the Mint, and to which coins issued therefrom are to be current and a legal tender, and to be deemed to be issued from the Mint.

By definition under Section 2 the Mint means, except as expressly provided, Her Majesty's Royal Mint in England, and "British possession" means any colony, plantation, island, territory, or settlement within Her Majesty's Dominions and not within the United Kingdom. Under Section 14 the Chancellor of the Exchequer for the time being is master, worker, and warden of Her Majesty's Royal Mint in England, and all duties, powers, and authorities imposed on or vested in or to be transacted before him may be performed and exercised by or transacted before his sufficient deputy.

Under Section 15 the Treasury appoint Deputy Masters and others for carrying on the business of the Mint in the United Kingdom or *elsewhere*, and the Master of the Mint may promote, suspend, and remove them. The Act, save as expressly provided by it, *or by any proclamation made thereunder*, shall not extend to any British possession (Section 19), and by Section 11 (9) the Queen in Council may by proclamation apply the whole *or any part* of the Act to, and to be in force in any British possession with or without modifications contained in the proclamation.

Assuming, therefore, that British India is a British possession within the meaning of the Act, the Queen has power to establish a branch mint there, and also to apply such portions of the Act there as may seem desirable.

In the recent report of the Indian Currency Committee, they state, paragraph 54, that they are in favour of making the British Sovereign a legal tender and a current coin in India, that they consider that at the same time, the Indian mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint. The result would be that, under identical conditions, the Indian sovereign would circulate both at home and in India and in all sterling using colonies.

In connection with this recommendation, it must be borne in mind that the establishment of the branch mints in Australia was due solely to the discoveries of large gold deposits in New South Wales and Victoria, and latterly in Western Australia. These mints were not and are not required for the purpose of supplying the gold coinage needed for currency purposes in the Australasian Colonies, but in order to meet the wants of the mining community, who in remote parts of the continent were placed at a disadvantage from want of facilities in disposing of the result of their labour, and who wished to get the best return in their power for it.

On the contrary, the portion of gold coin retained in Australia for currency purposes bears but a small relation to the whole out-turn, and the bulk of it is shipped abroad. It is probable that when a gold standard is established in India a considerable portion of Australian sovereigns will find their way to India.

The production of gold in Australasia for the year 1898 amounted to 3,547,079 ounces, whereas that for India did not probably much exceed one-tenth of this amount.

The reasons which led to the establishment of mints in Australia, therefore, do not hold good in India, and the precise grounds on which the recommendation is based are not stated. But whatever these may be, I will set out briefly the conditions under which the Australian branch mints are carried on.

The Government of each colony in which a branch is situated provides a suitable building and machinery for coinage operations, and provides an annuity from Colonial funds for payment of expenses, which is administered by the Treasury, who make all appointments, regulate the number of the staff, and the expenditure, without intervention of the Local Government. The accounts of this expenditure are audited by the Exchequer and Audit Office, and the unexpended balances of the annuities are surrendered to the Colonial treasuries.

The Colonial Governments fix the charges for refining and coining, &c., in consultation with the deputy master of the branch concerned, and receive the revenue derived.

Following these precedents, the Indian Government would have to find an annual sum to be administered by the Treasury at home. On the other hand, if a branch mint were established in India it might be taken on the votes as an imperial concern

and the revenue derived paid into the imperial exchequer, but this would not be on the "terms and conditions such as govern the three Australian branches of the Royal Mint," unless those conditions were altered.

The India Office have adopted the proposals of the Currency Committee, and Lord George Hamilton, writing on the 25th of July last to the Governor-General, desires him to take the necessary steps for making the British sovereign a legal tender and a current coin, and "to make preparations for the coinage of gold under the conditions suggested by the Committee." The "preparations" must consist, then, in the first place, of an application to the Treasury for the establishment of a branch mint in India, to be followed by the issue of a Proclamation by the Queen applying parts of the English Coinage Act of 1870 to India to the issue of a Proclamation by the Queen establishing a branch mint in India, by the erection by the Indian Government of a suitable mint, or by handing over one or a portion of one already in existence with the necessary machinery and appliances for refining and for coinage operations. Notice will have to be given, either in the Proclamation establishing the branch mint or in one subsequently issued, that the sovereigns coined in India shall be legal tender in like manner and to the like extent as if they had been coined in England.

The "preparations" are confined, therefore, to the India Government asking for a branch mint, and, if this is conceded, to their providing a mint and machinery and an annuity for the payment of expenses—the other steps will be taken by the Imperial Government.

The Government of India will not issue sovereigns from the mints in that country, as stated in Sir A. Godley's letter, if the precedents of the Australian branches are followed as proposed by the Currency Committee and endorsed by Lord George Hamilton. Sovereigns are coined under the English Act of 1870, and the dies are furnished from England and are not made anywhere else.

With regard to the other point raised in Sir A. Godley's letter, although it will be a new departure to have two coining authorities in the same country, I do not know that there is any practical difficulty in the Indian Government having its own mints for the coinage of rupees and other silver coins and copper, but it would not be practical to have two authorities in the same mint, and if rupees and token coinage are required to be coined in the branch mint, they should be struck and issued on the requisition of the Indian Government, and on the supply by them of the necessary metal, with or without charge, as may be subsequently settled.

It appears to me that the *early* establishment of a mint in India to coin sovereigns is not necessary, and that the Australian precedents need not be too closely followed, seeing that the branches in that part of the world were established for dealing with the raw material existing there in such abundance, and not in order to bring a particular currency system into play.

It will be necessary to legalise in India sovereigns struck here and at the Australian branches, as well as to legalise in the United Kingdom and in sterling-using colonies the currency of sovereigns struck in India. It will also be necessary to provide for the pyxing of gold coins struck in India. It may be worth consideration whether the gold coins struck there should not be restricted to sovereigns. The proportion of half-sovereigns struck in Australia to sovereigns is very small (3,557,084*l.* of the former against 159,948,921*l.* of the latter). There are a few other points for consideration to which it may be convenient to refer now.

(1.) The maintenance of the gold currency in an effective condition. In Australia the loss falls on the last holder, and the light gold sent in for re-coinage is dealt with by weight and not by number of pieces. Since the establishment of the branches only 867,108*l.* have been re-coined there, the bulk of which has been received at Sydney. A large proportion of Australian sovereigns are contributed to our circulation here, and are re-coined here as they fall light, the loss being made good from the coinage fund. It will have to be decided how the Indian sovereign currency is to be dealt with, whether the loss is to fall on the last holder as in Australia, or whether a special fund is to be formed to make good the loss on light gold at the expense of the State. Possibly this might be met by setting aside the coinage or other similar charges to form a special fund for the annual loss on light gold, but such a plan would only diminish the receipts to be paid into the Treasury as a set-off against expenditure incurred for salaries, maintenance, and other mint expenses.

(2) We have no knowledge of the mint regulations at present in force in India, nor of the means they possess for carrying out a continued gold coinage.

It will be necessary for us to be fully informed on these points. It is doubtful whether any of the Indian mint officials have any practical knowledge of gold coinage.

(3) The question of coinage charge is an important one. In this country, of course, there is no charge. In Australia a charge was imposed, partly, no doubt, because the mints there were established for the benefit of the mining community, and it was felt that they rather than the community at large should bear a special charge.

Under Section 11 (8) Her Majesty is empowered to impose a coinage charge, and I believe it was held, at the time the Perth Mint Order in Council was being drawn, that this power is not an optional one. Assuming this to be a correct interpretation of the law, and that a coinage charge has to be imposed in India, it seems probable that no one will import gold into India for coinage purposes, for which they have to pay, when they can get it coined here for nothing. It is unlikely, therefore, that any gold will be brought to the Indian branch mint for coinage in excess of the very small quantity to which I have already referred as produced there.

It appears to me that everything points to the conclusion that the coinage of sovereigns will be within very narrow limits in India, and that consequently it is questionable whether the Imperial Government should take over in their entirety either of the existing mints, which are considerable establishments, for this exclusive purpose.

(4) Moreover, it will probably be unnecessary to have refining facilities such as exist in the Australian mints. The present Indian law is not very clear. Under section 19 of the Indian Coinage Act, the mint master has to receive all gold and silver bullion and coin brought to the mint, provided that such bullion and coin be fit for coinage, which appears to indicate that it will not be received if it requires refining; on the other hand, under section 23, a refining charge is imposed for the loss and expense of refining all bullion and coin which is inferior to the standard fineness prescribed by the Act, or which is unfit for coinage. It may probably be convenient to prescribe in the new regulations that the gold bullion brought to the mint must be fit for coinage.

(5) Under clause 6 of the Proclamation establishing a branch mint at Perth, that branch is deemed to be a part of the mint for the purposes of the coinage of gold coins only. If the Indian Government desire to have their own mints for the purposes of other coinages, this precedent might be adopted in the case of an Indian branch mint.

No. 11.

SECRETARY OF STATE to VICEROY, dated 1st September 1899.*

(Telegraphic.)

YOUR telegram, 16th August, gold. Treasury show various legal and technical difficulties preventing early issue of Proclamation. But you need not delay legislation for legal tender of British and Colonial gold coins as already sanctioned in my telegram of 16th August.

No. 12.

Despatch from the Right Hon. LORD GEORGE HAMILTON, SECRETARY OF STATE FOR INDIA, to the GOVERNMENT OF INDIA, No. 177 (Financial), dated 7th September 1899.

WITH reference to your Excellency's telegram of the 16th of August on the subject of the coinage of gold in India, I forward a copy of a correspondence* with the Treasury, from which it is evident that some time must elapse before the requisite authority can be given to your Government. I shall be glad to be favoured with any observations that you may make on the various points mentioned by the Deputy Master of the Royal Mint.

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* To Treasury, dated 3rd August 1899, No. 5 of present series; to Treasury, dated 16th August 1899, No. 7 of present series; from Treasury, dated 28th August 1899 (with enclosure), No. 10 of present series.

2. The difficulties suggested may possibly render your Government less desirous of at once proceeding with the introduction into India of the coinage of sovereigns in that country; but they need in no way retard your taking measures for rendering British and Colonial sovereigns legal tender within the Indian Empire.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 13.

SECRETARY OF STATE to VICEROY, dated 27th September 1899.

(Telegraphic.)

YOUR Despatch in the Finance and Commerce Department 301, 24th August, paragraph 5, gold. See my despatch, dated 7th September, No. 177, enclosing papers sent demi-officially to Financial Member of Council, 29th August. I await your views before answering Treasury. They will probably require full information on points mentioned in Deputy Master of Mint's memorandum before they can act. Let me know your views by telegraph.

No. 14.

Letter from the GOVERNMENT OF INDIA to the SECRETARY OF STATE FOR INDIA, No. 346 (Finance and Commerce), dated 5th October 1899.

WE have the honour to acknowledge the receipt of your Lordship's despatch, No. 177, of 7th September 1899, forwarding correspondence with the Treasury relating to the proposal to declare the mint at Bombay a branch of the Royal Mint for the coinage of gold, and asking for any observations we may desire to make on the various points mentioned by the Deputy Master of the Royal Mint.

2. The points on which we are asked for definite information are those specified in paragraph 3 of the Treasury letter of 28th August 1899. We enclose a letter from the Mint Master, Bombay, replying to those enquiries (Enclosure No. 1). We are also, we understand, expected to report what mint regulations are at present in force in India. Full information on this subject will be found in the papers of which a list is given in Enclosure No. 2. We shall forward copies of such of those papers as are not already in your Lordship's possession.

3. We think it of great importance that the Bombay Mint should be authorised at an early date to coin gold, and we are anxious to do everything in our power to expedite the issue of the Proclamation, so as to give final effect to the policy adopted by your Lordship and Her Majesty's Government. We have, however, felt some difficulty in dealing with the present reference in the form in which it has been made. We have decided that the best way of meeting that difficulty and the most convenient course to adopt will be to prepare and forward for consideration by your Lordship and the Lords Commissioners of Her Majesty's Treasury a draft Proclamation embodying the substance of the provisions which we recommend for adoption. Our explanations of the provisions of the draft will deal with such of the points raised by the Deputy Master of the Mint as appear to require notice; and it will be seen that we suggest alternatives for some of the clauses of the draft regarding which we apprehend that the Treasury may possibly not accept our views.

4. The draft Proclamation forms Enclosure No. 3 of this Despatch. In preparing it we have followed the lines of the Proclamation establishing the branch mint at Perth, Western Australia, as given on pages 80, 81, and 82 of the Report of the Royal Mint for 1897. But we have varied certain provisions of that Proclamation because we are in agreement with the opinion expressed by the Deputy Master that the Australian precedents need not be too closely followed. Mr. Seymour clearly explains the differences between the circumstances which led to the establishment of branch mints in Australia and those which have caused the decision to adopt the same step in India. To what he says we need only add one very important point; prior to the establishment of branch mints in Australia there were no mints of any kind in that country; whereas in India there are completely

equipped mints in full working order, and their continued maintenance is necessary for purposes other than the coinage of gold; either of our two mints is capable of undertaking the coinage of gold, and it would be needless extravagance to direct that the coinage of gold should be carried on in a separate building, or otherwise than as a part of the general operations of one of our existing mints.

5. Doubts being expressed in the enclosures of the Despatch under reply whether the Indian mints possess the means for carrying out a continued gold coinage, we may assure your Lordship that there is no ground for this fear. The additions to the existing equipment of the Bombay Mint to enable it to undertake gold coinage will be very few, as will be seen by a reference to our Despatch, No. 270, of August 15th, 1893; and, while it is true that our mint officials have as yet had little practical experience of gold coinage, we have no hesitation in saying that they are quite competent to undertake and successfully perform any work of the kind which may be entrusted to them.

6. We now proceed to explain the successive provisions in the draft Proclamation, confining our remarks for the most part to points in connection with which we propose variations from the corresponding clauses of the Perth Proclamation.

7. In clause 1 of the draft we propose that the branch mint shall be located within the existing Bombay Mint. It is, in our opinion, unnecessary, and would be both inconvenient and expensive to establish the branch in a separate building. The suggestion made by Mr. Seymour that silver and copper should be struck and issued in the branch mint on the requisition of the Indian Government does not commend itself to us. We do not, however, consider the objections to this proposal as insuperable. What we contemplate is locating the branch mint in a part of the Bombay Mint, and we hope that it may be possible for the Treasury to appoint a Mint Master in conjunction with the Indian Government who would take charge of both the Imperial and Indian coinage operations. This would certainly be the most convenient and practical course, and we may point out that the mint artificers must of necessity generally be natives of India. But if this suggestion is considered impracticable, we should be willing in the last resort to transfer the whole of the Bombay Mint to the Imperial authorities, and procure therefrom upon requisition such silver and copper coinage as we might want. It should be remembered that the British dollar is also struck at the Bombay Mint.

8. In clause 2 of the draft we have followed the Perth Proclamation exactly, but we approve of the suggestion made by Mr. Seymour that the coinage of gold at Bombay should be restricted to sovereigns; it is not necessary to give powers to coin the half-sovereign or the two-pound and five-pound gold pieces.

9. In clause 5 of the draft, we have embodied the provisions regarding the receipt of bullion, and the seignorage, melting, and assaying charges which we consider desirable in India. They necessarily differ from the corresponding provisions in the Perth Proclamation.

10. In sub-clause (*b*) of that clause, we provide that no seignorage or coining charge shall be levied. It will apparently be necessary to take the opinion of the Law Officers on this provision. To us it seems to be admissible under the Coinage Act of 1870, as the imposition of a coinage charge is merely one of several things "all or any" of which section 11 makes it "lawful for Her Majesty to do." We consider it essential, and have throughout contemplated, that no charge should be levied for the coinage of gold in India. If a charge is imposed, the import of gold into India for coinage purposes will, as Mr. Seymour remarks, be improbable, seeing that gold is coined in London without charge. Should the Law Officers hold that the imposition of a charge is imperative, we should, much as we may dislike such a course, recommend that the charge should be fixed at a purely nominal amount.

11. We think it desirable to have power to levy a melting and cutting charge and a refining charge as provided in sub-clauses (*c*) and (*e*) of clause 5 of the draft, although it may very probably be decided not to levy such charges.

12. We are of opinion that it would be inexpedient to lay down that gold which is unfit for coinage by reason of being of lower fineness than the standard should not be received. As stated in our Despatch No. 199 of June 8th, 1899, we consider it very desirable to attract to the Bombay Mint the gold produced in India, now amounting in value to over a million and a half sterling, which has hitherto been shipped to England *viâ* Bombay. The regulations ought to provide both for the

receipt of gold of low touch and for the possibility of refining operations being carried out in the branch mint.

13. Sub-clause (*i*) of clause 5 of the draft is taken from proviso (*d*) of clause 5 of the Perth Proclamation, with the omission of the words referring to the delivery of the coined gold to the tenderer. The English Coinage Act contemplates the re-delivery to the tenderer, after coinage, of the gold brought to the mint. We prefer to adopt in India the practice which was in force when the mints were open to silver under the sections (19 to 25) of the Indian Coinage Act, 1870, which were repealed in 1893; under those sections, the mint did not undertake to re-deliver in its coined state the bullion which had been tendered for coinage, but granted to the tenderer a certificate for the value of the bullion; and the tenderer cashed the certificate at the General Treasury. We consider this practice more convenient, and it is almost imperative to adopt it when, as is now the case in India, both gold and silver are legal tender, while the certificates are payable in legal tender coin. Sub-clause (*f*) of clause 5 makes provision accordingly; and it is necessary to omit the reference to the delivery to the tenderer of the bullion brought to the mint in sub-clause (*i*) as well as in sub-clause (*a*). It will be noticed that sub-clause (*f*) retains the power which existed under the repealed sections of the Indian Coinage Act to make the certificates payable some time after date in case coin was not available to pay the certificates before the bullion could be coined.

14. Clause 6 of the draft proposes a complete departure from the Australian precedents. The expenditure of the Australian mints is not directly charged to the Colonial revenues; each colony provides an annual sum payable to Her Majesty to cover the expenses; the actual expenditure is administered and brought to account by Her Majesty's Treasury. It will, in our opinion, be more convenient to charge the expenditure of the branch mint at Bombay directly to Indian revenues. But if this is considered undesirable, we should be willing to accept the procedure followed in the case of the Australian colonies. We would ask your Lordship in this contingency to agree with the Treasury upon the amount of the annuity to be fixed.

15. Clause 7 of the draft reproduces the first two sub-clauses of clause 6 of the Perth Proclamation. But for sub-clause (*c*) we propose to substitute the provisions of clause 8 of the draft.

We do not expect that the gold brought to the Bombay Mint for coinage will be sufficient in amount to occupy fully the time of a separate deputy master and establishment. The most economical course will be to utilise the existing mint officers and establishment for the work of the branch mint. We hope that even if the appointment and control of the branch mint establishment were vested exclusively in the Treasury, our mint master would be appointed to be deputy master of the branch mint, and we think it desirable that the Government of India should be formally associated with the Treasury in the control of the mint. It is true that the Treasury and the Master of the Royal Mint must be responsible for the correctness of the coinage of gold at any branch of the Royal Mint. But, in our opinion, that responsibility will be best fulfilled by provisions ensuring that the gold coinage at Bombay shall be carried out in strict accordance with the rules which obtain in the Royal Mint; and by associating the Government of India with the Treasury in the control of the establishment. However, if these views prove unacceptable, we are prepared to accept provisions similar to those contained in the Perth Proclamation.

16. We do not think that any separate Order in Council or Proclamation extending the whole or any part of the English Coinage Act, 1870, to India will be necessary or desirable. Such of the provisions of that Act as can be conveniently adapted to India are contained in the Draft Proclamation.

17. If the substance of our Draft Proclamation is accepted, it will probably not be necessary for us to proceed with any further amendment of the Indian Coinage Act for the purpose of coining gold in India. The gold coinage will be conducted under the Proclamation. It will, however, be convenient to consolidate the Coinage and Paper Currency Acts.

18. It would not be expedient to adopt Mr. Seymour's suggestion that a fund should be formed to meet the cost of re-coining light sovereigns coined in India, We consider that light sovereigns coined in India should be treated in the manner, described by the Deputy Master, in which light sovereigns coined in Australia are treated.

19. We have in this Despatch stated the proposals adequate, in our opinion, for carrying out the establishment of a branch of the Royal Mint at Bombay, which, we think, may reasonably be accepted by Her Majesty's Treasury. But we recognise the possibility that the Lords Commissioners may not be prepared to go so far as we propose in the direction of associating the Government of India in the control of the branch mint. If this proves to be the case, we shall be prepared to accept the alternatives we have indicated in paragraphs 7, 14, and 15 of this Despatch; those alternatives are set forth in full in enclosure No. 4. We trust, however, that your Lordship will endeavour to secure the assent of the Treasury to the former proposals.

We have, &c.

(Signed) CURZON of KEDLESTON.
E. H. H. COLLEN.
C. M. RIVAZ.
C. E. DAWKINS.
T. RALEIGH.

Enclosure 1 in No. 14.

Letter from the MINT MASTER, Bombay, to the GOVERNMENT OF INDIA, No. 977, dated 3rd October 1899.

IN reply to your letter, No. 4409A, dated 25th September 1899, I have the honour to enclose the following:—

(1) A list of the coinage appliances of all kinds in this mint, with engines and boilers;

(2) A detailed statement of the staff employed, with the salaries paid and a copy of the pay abstract;

(3) A plan of the mint buildings and grounds.

Enclosure 2 in No. 14.

List of Papers showing the MINT REGULATIONS and RULES in force in India.

1. Code of Rules and Standing Orders of Her Majesty's Mint, Calcutta (copies sent by book post).

2. Resolution of the Government of India in the Finance Department, No. 3570, of 19th September 1884, laying down rules for the appointment of assay officers. (*See* Proceedings in the Finance and Commerce Department, Accounts, September 1884, Nos. 902–908.)

3. Resolution of the Government of India in the Finance Department, No. 3930, of 13th October 1884, laying down rules for the issue of coin from the mints. (*See* Proceedings in the Finance and Commerce Department, Accounts, October 1884, Nos. 1023–32.)

4. Resolution of the Government of India in the Finance Department, No. 4405, of 11th August 1888, laying down rules for the verification of standard weights and balances. (*See* Proceedings in the Finance and Commerce Department, Accounts, August 1888, Nos. 725–729.)

5. Notification by the Government of India in the Finance Department, No. 664, of 13th February 1891, laying down rules for the treatment of light weight and counterfeit coins. (*See* Gazette of India of February 1891, part 1, page 97; also Proceedings in the Finance and Commerce Department, Accounts, March 1891, Nos. 71–72.)

6. Notification by the Government of India in the Finance Department, No. 3714, of 25th August 1893, laying down rules for the receipt of gold at the mints. (*See* Gazette of India of August 1893, Part I., page 494; also Proceedings in the Finance and Commerce Department, Accounts, August 1893, Nos. 660–699.)

7. Notification by the Government of India in the Finance Department, No. 3218, of 14th July 1899, removing, in respect of gold produced in India, the

condition that it must be fit for coinage. (*See* Gazette of India of July 1899, Part I., page 683; also Proceedings in the Finance and Commerce Department, Accounts, July 1899, Nos. 510–17.)

8. Notification by the Government of India in the Finance Department, No. 1714, dated 16th July 1873, laying down rules for the receipt of bullion and coin in the Calcutta Mint, and also the byelaws of the Mint Bullion Depôt. (*See* Gazette of India of July 1873, Part I., page 647; also Proceedings in the Finance and Commerce Department, Mint, July 1873, Nos. 19–21.)

9. Notification by the Government of India in the Finance Department, No. 395, dated 18th January 1878, laying down rules for the payment of Assay Certificates to holders at the General Treasury or the Currency Office. (*See* Gazette of India, Part I., of January 1878; also Proceedings in the Finance and Commerce Department, Mint and Currency, January 1878, Nos. 1–3.)

10. Notification by the Government of India in the Finance Department, No. 2051 of 7th May 1889, laying down rules for the grant of Mint and Assay Certificates for silver and gold bullion tendered at the mint. (*See* Gazette of India of May 1889, Part I., page 263; also Proceedings in the Finance and Commerce Department, Accounts, May 1889, No. 589.)

Enclosure 3 in No. 14.

Draft Proclamation establishing a BRANCH of the ROYAL MINT at BOMBAY, based on the PROCLAMATION for PERTH, WESTERN AUSTRALIA, as given on pages 80, 81, and 82 of the Report of the Royal Mint for 1897.

We do hereby, by and with the advice of our Privy Council, proclaim, direct, and ordain as follows:—

1. A branch of Our Mint shall be established at Bombay within the Mint there established by the Governor-General of India in Council for the purposes of the Indian Coinage Act, 1870.

2. Gold coins may be coined at the branch Mint so established, and shall be of the same denominations, designs, weights, and fineness, and subject to the allowance of the same remedy, as gold coins coined at Our Mint in England.

3. The Master of Our Mint shall prepare and transmit dies for gold coins to be coined at the branch Mint at Bombay.

4. The gold coins coined in pursuance of this Proclamation at the branch Mint at Bombay shall be deemed to have been issued from Our Mint, and shall be current and a legal tender in like manner and to the like extent as if they had been coined and issued in England.

5. (*a*) Subject to the Mint-rules for the time being in force, the Deputy Master of the branch Mint at Bombay shall receive all gold bullion brought to the Mint provided that the buillion so brought is fit for coinage.

(*b*) No charge shall be levied at the Mint on the produce of any gold bullion brought to the Mint for coinage.

(*c*) The Governor-General of India in Council, if he deems it expedient, may, by notification in the Gazette of India, direct that a charge of one-fourth per mille on gold bullion brought to the Mint for coinage shall be levied for melting or cutting the same so as to render it fit for receipt into the Mint.

(*d*) Notwithstanding anything contained in the proviso to clause (*a*) of this Article, the Deputy Master of the branch Mint may, subject to such orders as the Governor-General of India in Council may issue in this behalf, receive any gold bullion brought to the Mint though the same is not fit for coinage.

(*e*) When the gold bullion brought to the branch Mint is such that it cannot be brought to the standard fineness of the coin to be coined thereout without refining the whole or some portion of it, the Deputy Master shall demand for assaying and refining the same such charge (if any) as the Governor-General of India in Council may from time to time fix.

(*f*) The Deputy Master of the branch Mint, on delivery of gold bullion into the Mint for coinage, shall grant to the proprietor a receipt, which shall entitle him to a certificate from the Assay Master for the net produce of such bullion, calculated at the rate of one rupee for 7·53344 grains troy of fine gold; such certificates shall be

payable at the General Treasury of the Government of India in Bombay after such lapse of time from the issue thereof as the Governor-General of India in Council may fix from time to time.

(*g*) The proprietor of any gold bullion delivered into the Mint for coinage may, if he is dissatisfied with the Assay Master's report of its value, within 24 hours after receiving such report, and subject to the payment of any fee which may be prescribed in this behalf by the Governor-General of India in Council, withdraw the bullion.

(*h*) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint; and every person shall have priority according to the time at which he brought it, subject to the Mint-rules for the time being in force.

(*i*) The Governor-General of India in Council may make, and alter from time to time, Mint-rules for carrying into effect the provisions of this Article with respect to gold coin and bullion, and the bringing and coining thereof, and in particular for regulating the time and conditions at and under which it is to be so brought, assayed, and coined, and the minimum amount which may be so brought.

6. All the expenditure incurred in the maintenance and working of the branch Mint at Bombay shall be charged to the revenues of India; and the charges, if any, for cutting and melting and for refining collected by the Deputy Master, and all other receipts of the branch Mint shall be credited to the revenues of India. The expenditure and receipts of the branch Mint shall be treated as part of the expenditure and receipts of the Bombay Mint established for the purposes of the Indian Coinage Act.

7. Subject to the provisions of this Proclamation the branch Mint at Bombay shall, for the purpose of the Coinage of gold coins, be deemed to be part of Our Mint, and, accordingly—

(*a*) the Deputy Master shall comply with all directions he may receive from the Master of Our Mint, whether as regards the returns to be made, or the delivery of coin for public use, or the transmission of specimen coins to England, or otherwise; and

(*b*) the said specimen coins shall be subject to the trial of the pyx under Section 12 of the Coinage Act, 1870, so, however, that they shall be examined separately from the coins coined in England.

8. The Deputy Master of the branch Mint at Bombay shall be appointed by the Treasury in conjunction with the Government of India, and shall be in charge both of the branch Mint and of the Mint established at Bombay by the Governor-General of India in Council for the purposes of the Indian Coinage Act, 1870. The Treasury May also in conjunction with the Government of India appoint other officers and persons for the purpose of carrying on the business of the branch Mint, and assign them their duties and award them their salaries.

9. The Governor-General of India in Council shall cause the store of gold bullion and coin at the branch Mint at Bombay to be inspected half-yearly, and cause the persons inspecting the same to report thereon to the Deputy Master of the branch mint, stating the exact amount of coin and bullion inspected by them; and such report shall be transmitted by the Deputy Master to the Master of Our Mint in London.

10. The Master of Our Mint and the Governor-General of India in Council shall, in the execution of this Proclamation, act in accordance with any regulations made or directions given by the Lords Commissioners of Our Treasury.

11. In this Proclamation—

The expression "Mint" means our Royal Mint in England.

The expression "Governor-General of India in Council" includes any person exercising for the time being the powers of Governor-General under the Indian Councils Act, 1861.

12. This Proclamation shall come into force at once.

Enclosure 4 in No. 14.

ALTERNATIVES for certain CLAUSES in the DRAFT PROCLAMATION (*see* paragraphs 7, 14, 15, and 19 of the Despatch).

For clause 1 substitute—

"A branch of Our Mint shall be established at Bombay, the Mint there established by the Governor-General of India in Council for the purpose of the Indian Coinage Act, 1870, being transferred to Us for use as a branch Mint."

For (*c*) of clause 5 substitute—

"(*a*) Our Master of the Mint, if he deems it expedient, may by order, to be published in the Gazette of India, direct that a charge of one-fourth per mille on gold bullion brought to the Mint for coinage shall be levied for melting or cutting the same so as to render it fit for receipt into the Mint."

In clause (*d*) of clause 5, for "the Governor-General of India in Council" substitute "Our Master of the Mint."

For clause 6 substitute—

"The Government of India shall pay annually to Us the sum of thousand pounds to defray the expenses of the Branch Mint. From this annuity Our Master of the Mint shall defray the said expenses, surrendering to the Government of India any unexpended balance at the end of each year."

For clause 8 substitute the following as an addition to clause 7:—

"; and

"(*c*) the Deputy Master and other officers and persons for the purpose of carrying on the business of the Branch Mint may be appointed, promoted, suspended, and their duties assigned and salaries awarded under section 15 of the Coinage Act, 1870: Provided that the Treasury and Our Master of the Mint may, if they deem it expedient, delegate the exercise of any of their powers in this behalf to the Government of India."

In clause 10 omit the words "and the Governor-General of India in Council."

No. 15.

SECRETARY OF STATE to VICEROY, dated 23rd October 1899.

(Telegraphic.)

YOUR Financial Despatch No. 346, enclosure 3, clause 5, subsection (*f*). Should it not be expressed that payment of certificates will if desired be made in gold coin and not in rupees to public bringing gold for coinage.

No. 16.

VICEROY to SECRETARY OF STATE, dated 25th October 1899.

(Telegraphic.)

YOUR telegram of 23rd October. Please refer to paragraph 13 of our Despatch No. 346, 5th October last. We should prefer to make the certificates payable in legal tender, that is to say, either in silver or gold or notes at our option, in which case we will endeavour to meet wishes of holders. But we shall not object to expressly giving the option to the public in the Proclamation if the point is expressed.

No. 17.

INDIA OFFICE to TREASURY, dated 7th November 1899.

With reference to your letter of the 28th of August last, No. 13,048, I am directed by the Secretary of State for India in Council to transmit a copy of a letter dated the 5th of October, No. 346, with its enclosures, which has been received from the Government of India, showing the measures of which they desire the adoption, in order to admit of the coinage of gold coins in India, which shall be equally current and legal tender with those coined in this country.

A copy is also forwarded of the papers mentioned in Enclosure No. 2 as showing the Mint Regulations and Rules in force in India.

The Lords Commissioners of Her Majesty's Treasury will observe, among the papers, a draft Proclamation, founded generally on that issued in the case of the Mint at Perth, but differing therefrom in various respects for the reasons explained in the letter of the Government of India. Although, according to the draft, power would be given to issue gold coins generally, the Government of India are willing that the coinage in India should be restricted to sovereigns. It is provided that no seignorage shall be charged, a point which the Government of India consider essential, if it can legally be so determined. And they desire to have power to receive gold even when of lower fineness than the standard. The other points will no doubt be carefully considered by their Lordships.

It may perhaps be necessary, in clause 5 (*f*) to make it clear that gold coin will, if desired, be issued to such of the public as may bring gold bullion to be coined; but, on this point, I am desired to draw attention to the thirteenth paragraph of the letter from India, and to the subsequent telegraphic correspondence herewith forwarded.

On the question of the mode of meeting the expenditure, the appointment of officers, and the control of the establishments, Lord George Hamilton trusts that no difficulty will be found in arriving at an understanding which shall be satisfactory both to the Lords Commissioners and to the Indian Government.

With reference to the fifth paragraph of the letter, I am directed to transmit an extract of the one dated the 15th of August 1893 (paragraphs 4 to 6), with its enclosure, showing what additions to the existing equipment of the two Mints were contemplated at that time.

I am at the same time, with reference to the second paragraph of Mr. Seymour's letter of the 15th of August, to forward a copy of the Indian Coinage and Paper Currency Acts corrected to the present date, and of Act II. of 1898, which show the present state of the law in India on this subject.

With these observations, I am instructed to add an earnest expression of the hope of the Secretary of State in Council that the requisite steps may be taken, without delay, for the issue of a Royal Proclamation.

No. 18.

TREASURY to INDIA OFFICE, dated 10th January 1900.

The Lords Commissioners of Her Majesty's Treasury, having given their careful consideration to the representations made in your letters* of the 3rd August and 7th November last, direct me to acquaint you, for the information of the Secretary of State for India in Council, that they are prepared to recommend to Her Majesty the establishment of a branch of the Mint in India, in accordance with the provisions of the Coinage Act, 1870 (33 & 34 Vict. c. 10), to be placed under the control of this Department as far as possible upon the same lines as the similar establishments in Australia, provided that the Government of India makes the necessary arrangements for defraying the expenses of the establishment.

My Lords have considered the draft Proclamation which accompanied the letter from the Indian Government of the 5th October last, and, while they are prepared to accept the general outlines of the arrangement proposed whereby the branch of the Imperial Mint is to be situated within the buildings of the existing establishment under the management of the Government of India at Bombay, they are of opinion that certain amendments are required, in accordance with the provisions of the Coinage Act.

* Nos. 5 and 17 of present series.

They have accordingly, in consultation with representatives of the India Office, caused a revised draft Proclamation to be prepared, which I am to transmit herewith, for his Lordship's consideration, together with a copy of a Memorandum* by the Parliamentary Counsel and an opinion* which has been obtained from the Law Officers of the Crown upon it.

I am to request that the special attention of the Secretary of State may be directed to the question of the provision to be made for the expenses of the Mint out of the revenues of India, as explained in the fourth paragraph of the opinion. It will be necessary that an assurance should be given that such provision will be made before the draft Proclamation is submitted to Her Majesty, and that the fact that it has been given should be recited in that document. I am accordingly to request that you will move Lord George Hamilton to take such steps as may be necessary to give effect to the financial arrangements proposed in the draft Proclamation, should he see no objection.

A further question will arise as to the treatment of worn gold coin in circulation in India, with which my Lords do not propose to deal in the Proclamation, as they consider it to be more properly a subject for Indian legislation. Under the Coinage Act, 1870, a duty is imposed upon all persons to whom gold coins below the current weight are tendered to break or deface such coins, the person tendering them to bear the loss. But, as the Secretary of State is aware, this provision was found to be in itself insufficient for maintaining the gold currency in a satisfactory condition, and it was provided by the Coinage Act, 1891, and Order in Council made thereunder, that all worn gold coins which had not been illegally dealt with should be exchanged by the Mint at their full nominal value. No similar provision has, however, up to the present been made in Australia, with the result that the worn gold coins in the Australasian Colonies are returned by the public to this country and redeemed at the expense of the British taxpayer. The cost of such redemption has, however, hitherto been more than covered by the seignorage on Imperial silver coin supplied for the use of the colonies concerned, and in these circumstances my Lords have not felt it incumbent upon them to call upon the Colonial Governments to make other arrangements.

In the case of India, on the other hand, it would be clearly inequitable to permit an arrangement under which the cost of maintenance of its gold currency would fall on the Imperial Exchequer, and my Lords presume that Lord George Hamilton will have no objection to giving an undertaking, on behalf of the Government of India, to make arrangement for the exchange of worn gold coins found in circulation in India upon the same terms as those from time to time in force in England.

I am to add that the Master of the Mint has been requested to report upon the sufficiency of the existing appliances of the Bombay Mint for the coinage of sovereigns, and, in inviting the observations of the Secretary of State upon the draft Proclamation, I am to state that my Lords will be prepared to submit the document for the signification of Her Majesty's pleasure as soon as they receive an assurance from the Secretary of State in Council that the necessary financial provision will be made, and they are satisfied that the Mint will be in a position to commence operations by the date of its promulgation.

Enclosure.

BOMBAY MINT.

Draft Proclamation.

BY THE QUEEN.—A Proclamation.

VICTORIA R.

WHEREAS under the Coinage Act, 1870, it is lawful for Us, with the advice of Our Privy Council, from time to time, by Proclamation, to direct the establishment of any branch of Our Royal Mint in England in any British possession, and determine the extent to which such branch is to be deemed part of Our said Mint and to which coins issued therefrom are to be current and to be a legal tender, and to be deemed to be issued from Our said Mint:

And whereas Our Govenor-General of India in Council has applied for the establishment of a branch of Our Mint at Bombay:

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* Not printed.

We, therefore, in pursuance of the said Act and of all other powers enabling Us in that behalf, do hereby, with the advice of Our Privy Council, proclaim, direct, and ordain, as follows:—

1. A branch of Our Mint shall be established at or near Bombay, and shall be situate either in the buildings of the Indian Mint at Bombay, or on such other site as the Governor-General of India in Council may approve.

2. Gold coins may be coined at the branch Mint so established, and shall be of the same denominations, designs, weights, and fineness, and subject to the allowance of the same remedy, as gold coined at Our Mint in England.

3. The Master of Our Mint shall prepare and transmit dies for the gold coins to be coined at the branch Mint.

4. The gold coins coined in pursuance of this Proclamation at the branch Mint shall be deemed to have been issued from Our Mint, and shall be current and a legal tender in like manner and to the like extent as if they had been coined and issued in England.

5.—(1) If any person brings to the branch Mint any gold bullion which, on assay, is in the opinion of the Deputy Master of the branch Mint fit for coinage, the bullion shall, subject to Treasury regulations, be coined and delivered out to that person without any charge for assaying or coining, or for waste in coinage:

(2) No undue preference shall be shown to any person as respects the bullion brought to the branch Mint under this Article, and every person shall have priority according to the time at which he brought the bullion.

6. All the expenditure incurred by the Deputy Master in the maintenance and working of the branch Mint shall be charged to the revenues of India, and all receipts of the branch Mint shall be credited to the revenues of India.

7. Subject to the provisions of this Proclamation, the branch Mint shall, for the purpose of the coinage of gold coins, be deemed to be part of Our Mint, and accordingly—

(*a*) The Deputy Master shall comply with all directions he may receive from the Master of Our Mint, whether as regards the expenditure to be incurred, or the returns to be made, or the transmission of specimen coins to England, or otherwise; and

(*b*) The said specimen coins shall be subject to the trial of the pyx under section twelve of the Coinage Act, 1870, so, however, that they shall be examined separately from the coins coined in England or at any other branch of Our Mint; and

(*c*) The Deputy Master and other Officers and persons employed for the purpose of carrying on the business of the branch Mint may be appointed, promoted, suspended and removed, and their duties assigned and salaries awarded in accordance with the provisions of section fifteen of the Coinage Act, 1870 (33 & 34 Vict. c. 10).

8. The Governor-General of India in Council shall cause the store of gold bullion and coin at the branch Mint to be inspected half-yearly, and cause the persons inspecting it to report thereon to the Deputy Master of the branch Mint, stating the exact amount of coin and bullion inspected by them; and the report shall be transmitted by the Deputy Master to the Master of Our Mint in London.

9. The Master of Our Mint shall, in the execution of this Proclamation, act in accordance with any regulations made or directions given by the Lords Commissioners of Our Treasury.

10. In this Proclamation—

The expression "Mint" means Our Royal Mint in England.

The expression "Deputy Master of the branch Mint" includes any person who lawfully exercises at the branch Mint the authority of Deputy Master.

The Interpretation Act, 1889, applies to the construction of this Proclamation.

11. This Proclamation shall come into force in India on the expiration of six months from the date thereof, unless it is sooner promulgated in India, and in that case on such promulgation.

No. 19.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India, to the GOVERNMENT OF INDIA, No. 12 (Financial), dated 25th January 1900.

ON the receipt of your Excellency's letter, dated the 5th of October 1899, No. 346 (*a*), respecting the coinage of gold in India, I lost no time in communicating to the Treasury a copy thereof, with the enclosures (some of which were received by a later mail), together with my telegram (*b*) of the 23rd of October and your reply of the 25th (*c*) relating to the payment of Mint certificates. A copy of the letter (*d*) to the Treasury, dated the 7th of November, is transmitted for the information of your Government.

2. Personal conferences ensued between representatives of the two offices, at which the Deputy Master of the Royal Mint was also present; and a letter (*e*) dated the 10th instant has now been received from the Treasury, a copy of which, and of its enclosures, I forward herewith to your Excellency.

3. I shall be glad to learn as soon as possible whether you desire to suggest any modification of the draft Proclamation which is now prepared, and whether you have any objection to my giving to the Lords Commissioners of the Treasury the assurance that the Government of India are not only willing to defray all charges of the branch Mint, but also to guarantee the repayment of any expenses that may be hereafter incurred in replacing worn gold coin that may be found in circulation in India.

4. As regards the sufficiency of the existing appliances at Bombay, and the ability of the staff to commence operations, I request that you will inform me whether you have anything to add to the statements contained in the enclosures of your letter No. 346, dated 5th October 1899.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 20.

Letter from the GOVERNMENT OF INDIA to the SECRETARY OF STATE FOR INDIA, No. 54 (Finance and Commerce), dated the 22nd February 1900.

WE have the honour to acknowledge the receipt of Your Lordship's Despatch No. 12 (Financial), dated the 25th January 1900, forwarding correspondence with Her Majesty's Treasury and the draft of a Proclamation to establish a branch of the Royal Mint at Bombay with a view to the coinage of gold in India.

2. We have no modifications to suggest in the draft Proclamation now prepared, and we shall be glad if it can now be promulgated.

3. We request that Your Lordship will give to the Lords Commissioners of the Treasury the assurance that the Government of India will defray all charges of the Branch Mint. We are also prepared to undertake to make arrangements for the exchange of worn gold coins other than half-sovereigns found in circulation in India on the same terms as those in force from time to time in England. We do not intend to coin half-sovereigns in India, and do not desire their circulation. We are therefore unwilling that our obligation in the matter of repaying the expenses incurred in replacing worn gold coin should be held to extend to light-weight half-sovereigns. With this modification we are prepared to repay the expenses incurred in recalling worn coin.

(*a*) No. 14 of present series.
(*b*) „ 15 „ „
(*c*) „ 16 „ „
(*d*) „ 17 „ „
(*e*) „ 18 „ „

4. As regards the sufficiency of the existing appliances at Bombay and the ability of the staff to commence operations, we have nothing to add to the statements contained in the enclosures of our Despatch No. 346, dated the 5th October 1899.

We have, &c.

(Signed) CURZON OF KEDLESTON.
E. H. A. COLLEN.
A. C. TREVOR.
C. E. DAWKINS.
T. RALEIGH.
DENZIL IBBETSON.

No. 21.

INDIA OFFICE to TREASURY, dated 10th March 1900.

IN continuation of my letter of the 6th of February, I am directed by the Secretary of State for India in Council to inform you that he has communicated to the Government of India the suggestion which has been put before him unofficially, and which, he understands, would be acceptable to the Lords Commissioners, viz., that Mr. Barton, when taking leave of absence from Melbourne at the close of this month, should proceed to Bombay, with the view of his making a report on the capabilities and requirements of the Mint at that place for the coinage of gold, and I am to state that the Government of India have reported that the arrangements proposed will suit them.

His Lordship assumes that the Lords Commissioners will give such instructions as may be necessary, and will communicate with him when any action on his part is required.

No. 22.

INDIA OFFICE to TREASURY, dated 20th March 1900.

WITH reference to your letter, dated the 10th of January, No. 324, relative to the coinage of gold in India, I am directed by the Secretary of State for India in Council to transmit, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of a Despatch, dated the 25th of January, No. 12, addressed to the Government of India, and of their reply dated the 22nd of February, No. 54; and I am desired to express Lord George Hamilton's hope that the assurances contained in the latter will prove satisfactory to their Lordships, and enable them to take the requisite steps for obtaining the approval of Her Majesty to the issue of the requisite Proclamation.

No. 23.

TREASURY to INDIA OFFICE, dated 28th March 1900.

WITH reference to your letter of the 10th instant (F. 959), I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of the Secretary of State for India in Council, a copy of a letter addressed on the 23rd instant by direction of the Master of the Mint to Mr. Barton, instructing him as to the points to be dealt with in his inquiry at the Bombay Mint.

As regards Mr. Barton's expenses, my Lords have undertaken to ask the Secretary of State to pay the cost of his passage from Melbourne to Bombay (outwards only), together with subsistence allowance at the rate of 10*s.* a night on

board ship, and 21*s.* a night on shore, in respect of the period to the date of his departure from Bombay, and an amount equal to one quarter of his full salary (Mr. Barton's leave of absence being upon three-quarters salary) for the same period.

With Lord George Hamilton's concurrence, Mr. Barton will be instructed to make a claim upon the India Office accordingly upon reaching England.

Enclosure in No. 23.

TREASURY to Mr. BARTON, dated 23rd March 1900.

WITH reference to the telegram of the 1st instant, from the Master of the Mint, in which he desired that you would call at Bombay on your way home on leave, in order to report on the facilities of the Mint there for gold coinage, and stating that instructions would be sent to you, I am now directed to set out the points on which information is sought.

1. You are aware that the Indian Government, acting upon the recommendations of the Indian Currency Commission, have taken steps for making the sovereign legal tender and a current coin in India, the ratio adopted being 15 rupees to the sovereign.

2. They have also determined to take steps for the coinage of sovereigns in India, and in order to carry out this object it is necessary to set up a branch of the Royal Mint in India by proclamation under the provisions of the Coinage Act of 1870, 33 Vict. cap. 10.

3. It is proposed that the existing mint at Bombay shall be utilised for this purpose, and that a portion of it shall be set aside for the exclusive coinage of sovereigns, under the direction of the Master of the Mint, and a staff appointed by the Treasury.

4. Plans of the Bombay Mint have been submitted for examination in this country, and it appears probable that by rearrangement and additions the portion of the Mint forming the south-west angle of it could be adapted for the exclusive purpose of gold coinage, and that this portion could be entirely shut off, if necessary, from the rest of the Mint. A tracing of the plan, showing the portion referred to, is enclosed. The remainder of the present buildings will continue to be available for the coinage of silver and copper under the direction of the officers appointed by the Indian Government.

5. You are requested to report as to this, and to inform the Master of the Mint what steps it will be necessary to take in order to secure a suitable arrangement of rooms lying together for the various operations connected with the coinage of gold, it being understood that pre-melting operations, and operations for refining purposes will not be carried out in this portion of the Mint, but will be under the charge and direction of the Mint officials appointed by and responsible to the Indian Government.

The only arrangement, therefore, which you will have to consider, so far as melting is concerned, is the provision of a set of furnaces suitable for melting charges of gold of say 1,200 ozs. standard each, and adequate space for pouring into moulds for the manufacture of sovereign bars, with appliances for trimming them, &c.

6. Should, however, it appear to you on inspection of the premises that some other portion of the Bombay Mint is better adapted for the purposes of an exclusive gold coinage than that which I have indicated, you will inform the Master of the Mint accordingly, stating fully the various requirements which will have to be made good. You will bear in mind, however, that the coinage of sovereigns at Bombay is not likely to be a large one, affording continual work all the year round, that it will be undertaken only with gold fit for coinage, not requiring refining, and that the initial accommodation will, therefore, be comparatively limited. Provision for possible expansion in the future should, nevertheless, be borne in mind.

7. With regard to machinery and plant already in existence, you will report how far it is suitable and fit for gold coinage, and the extent to and the manner in which you would recommend that it should be supplemented.

8. Any machinery or appliances necessary or desirable for gold coinage which are not already in existence should be noted, in order that provision may be secured.

9. You will specially observe as to the efficiency of the rolling mills, the arrangements for annealing, and the condition of the automatic balances.

10. In connection with the foregoing directions, I am to enclose, for your information, a copy of a memorandum drawn up by the Superintendent of the Operative Department in this Mint, dealing with various points, on many of which it is impossible to form a definite opinion without that personal inspection which you are now requested to give, amongst them "motive power" and "stronghold accommodation" call for your special attention.

11. When your inspection has been sufficiently advanced to enable you to determine the best way to secure the accommodation required for coinage operations and for office purposes, you will take into consideration the staff which will be requisite for conducting the work.

12. In this respect the experience of the Royal Mint and its branches, resting as it has upon numbers and wages of those employed on the scales usually adopted for the employment of British and Australian workmen, will not be a sufficient guide. You will form your opinion as to the necessities of the case upon the advice afforded you by those whom you consult who are experienced in the use and control of native labour, whether in the Bombay Mint or outside it.

13. Assuming that the whole of the staff of workmen, including those employed in the melting-house, rolling, cutting, annealing, press and weighing rooms to be drawn from native sources, you will report how far the subordinate supervising staff such as foreman of rooms, gaugers, &c., may also consist of natives, or should be filled by Europeans.

14. You will report the numbers of the higher supervising and controlling staff which in your judgment will be required, and you will indicate how far the supervising staff in the Coining Department can combine the duties connected with operations and accounts. You will state in each case the duties to be entrusted to the individual.

15. Apart from the Coining Department you will report also as to the staff which will be necessary for carrying on correspondence, and keeping the accounts of receipts of gold bullion, and issue of coin, as well as the accounts with the Coining Department.

16. You will report as to the assistance to be given to the Assayer, whose duties will consist in the assay of the gold bullion sent in for coinage, of the bars manufactured in the melting-room before they are sent on for rolling, as well as of the coin before issue. The important duty of determining whether the gold sent in to the Mint is fit for coinage or not, whether by preliminary assay or after melting, will be entrusted to the Assayer, and it is absolutely necessary for him to be independent of the mints under the Indian Government, and responsible to the Master of the Mint alone.

17. You will report as to the accommodation and appliances necessary for the Assayer's staff, and to the extent to which it will be necessary to supplement the provision in these respects already existing.

18. In view of the comparatively small amount of work which may be expected to fall on the Bombay Branch of the Royal Mint, at all events at its commencement, it will be desirable to consider whether and how far it may be practicable to utilise a portion of the staff already employed in the Bombay Mint, under the Indian Government. If any arrangement of this kind can be carried out, it will be essential that the staff common to the two mints shall be always available for the gold coinage when required, and that it must, when employed on that coinage, be amenable to the rules and discipline of the Deputy Master of the Branch Mint. It will be for your consideration whether any friction would reasonably be likely to arise by the employment of a common staff on the work of two independent establishments.

So far as the staff of artificers is concerned, men employed in the manufacture and repair of the machinery and coinage appliances, including balances, it would probably not be difficult to arrange that the existing staff should be utilised for the requirements of the Branch Mint for gold coinage.

19. It must be borne in mind that the cost of both the Bombay Mint and the proposed branch of the Royal Mint will be met by the Indian Government, and it will be a matter for consideration in what manner and to what extent the funds required for the staff connected with the coinage and issue of sovereigns shall be separated from the general expenses of the Bombay Mint, and carried to a separate account to be placed at the disposal of the Deputy Master of the Branch Mint.

20. Under the Proclamation which it will be necessary to issue for the establishment of a branch of the Royal Mint at Bombay, a copy of a draft of which is enclosed, the Deputy Master and other officers and persons employed there will be appointed and controlled by the Treasury in the same manner as in the Royal Mint and its existing branches in Australia. It seems open, therefore, to considerable doubt whether the controlling officers of the Branch Mint, such as the Deputy Master, the Superintendent, the Chief Clerk, and the Assayer, should be also in the employment and subject to the directions of the Indian Government. You will be able to weigh the practical objections which may arise by any such common service to two different, and possibly conflicting, authorities with greater nicety on the spot than can be done from here, and you will report on the point. The Master of the Mint, however, is inclined to lay great stress on his own ultimate responsibility for the integrity and accurate issue of the sovereign, wherever coined, and he leans at present to the view that the Deputy Master and the Assayer, at any rate, should be entirely independent of the Indian Government, both as regards appointment and control. In view of the limited nature of the operations to be performed, the offices of Deputy Master and Superintendent might be conveniently united in the same person.

21. You will understand, however, that upon the points raised in the last paragraph the Master of the Mint has no desire to fetter your judgment, and you will report on all the points which have been referred to you, whether as to the accommodation required, the machinery and apparatus and coining requsites necessary, the numbers and nationality of the staff, and the nature of its control, according as you think the public interests may be best served.

22. A separate communication will be addressed to you as to your expenses and remuneration.

Annexure.

Memorandum by the Superintendent of the Operative Department to the Deputy Master, dated 20th January 1900.

In accordance with your directions, I beg to report on the machinery of the Bombay Mint, as set forth in the lists which accompany the Treasury letter of the 10th instant (324/1900), from the point of view of its suitability for the coinage of gold. I would, however, premise that such a mere list of appliances affords no means of judging as to their real efficiency for such a purpose, for the coinage of gold without undue waste is well known to require as an essential condition that every stage of manufacture, both metallurgical and mechanical, shall be conducted with the most minute accuracy. The real efficiency of the plant, therefore, can only be judged by close inspection and, in most cases, actual trial.

I proceed to consider the provision available in the several branches of the Mint.

Melting Department.

The melting and pre-melting departments contain no less than 21 and 25 furnaces respectively, of capacities varying from 10,000 to 1,400 ounces of silver per charge. All of them appear to be too large for gold melting according to English practice, but before being used for gold they would probably be rebuilt and their dimensions could then be reduced. It appears from the plan that they are distributed in sets over a considerable area, so that certain furnaces could doubtless be set aside for gold melting and refining operations without serious inconvence. The number of mould carriages appears to be adequate, and it would not be difficult to fit the requisite sovereign moulds to these carriages.

The space marked on the plan for a gold refinery hardly seems sufficient, but this could be increased and a special stronghold could also be provided.

There is an abundant supply of minor appliances, except that no provision appears to be made for trimming the edges of bars.

Duplicate rolling, adjusting, cutting, annealing, and coining rooms already exist in the Bombay Mint, and there appears to be no difficulty in setting aside one of each for dealing exclusively with gold. An examination of the plans shows that the rooms best placed for this purpose are the south rolling and adjusting rooms, the old cutting room (dismantled), and the west annealing and coining rooms.

These rolling and adjusting rooms contain ten mills which, if efficient, should suffice for the preparation of accurate " fillets " without the use of the dragbench; at present this appliance is placed in the north adjusting room. In every case a very liberal supply of spare rolls already exists, and nothing seems to be wanting for the efficient working of these two rooms.

Cutting Room.

Although the cutting room, which appears to be most conveniently situated, is described on the plan as " dismantled," the schedule shows the Mint to possess no less than 13 cutting-out presses, doubtless in the other room. This number is three more than exist in the London Mint, and it would apparently be an easy matter to erect a sufficient number in the room indicated, and to supply the requisite motive power. Sufficient space seems to be available for the accommodation of such minor appliances as would also be needed in this room, such as benches, balances, and sorting tables.

Annealing Room.

The details given of the contents of the west annealing room, the most conveniently situated, point to its having hitherto been chiefly used for copper coin, and it would probably require some re-arrangement. In the absence of information as to the nature of these fittings, however, it is impossible to discuss them in detail, but the two furnaces would possibly suffice, and the space available is ample for the coinage up to about five million sovereigns per annum, especially if the work is evenly distributed throughout the year.

From this point the provision necessary must to some extent depend on whether the English practice of only weighing finished coins, or the Australian, in which both blanks and coins are weighed, is contemplated.

In the former case, the blanks would pass easily to the west coining room, which contains twelve lever presses, more than could conveniently be fed by the existing rolling and cutting plant, and more than are needed for the coinage in view.

The present weighing room is very inconveniently placed, but contains a large number of automatic balances by Napier, no less than 68. Half of these, if in perfect order, would be ample provision for the gold mint, but in any case it will probably be necessary to erect a new room on a portion of the vacant space near the annealing room for their accommodation.

If the Australian practice is adopted no material increase in their number would be needed, but the arrangement of the room should be modified so that blanks and coin might be kept apart. The weight-reducing machines, which already exist, would in this case be erected in the blank weighing portion of the room.

Bullion Balances.

Ten suitable balances are stated to exist in the mint, and from these it would probably be easy to select a sufficient number for the service of the several rooms reserved for gold.

Motive Power.

The following steam-engines are available for driving the machinery in the rooms which it is here suggested should be devoted to the rolling, cutting, and coining of gold.

40 H.P. Low pressure condensing beam engine.

25 H.P. High and low pressure compound condensing horizontal engine.

It is open to doubt whether this provision of power would be adequate for the whole of the work, and some addition may be found necessary. A small special engine, a turbine, or other source of power, will also be required for the automatic balances.

It is assumed that the requisite office and stronghold accommodation already exists in the several rooms.

Assay Department.

In order to secure adequate and independent control over the composition of the coin a separate assay office is of the first importance, and the list of balances, &c., which already exists, points to the conclusion that they must be supplemented by a certain number of new instruments of greater delicacy, so as to meet the requirements of modern practice. None of the appliances required for the regular assay of gold, such as muffle furnaces and platinum boilers, are enumerated as forming part of the present outfit of the Bombay Assay Office.

No. 24.

TREASURY to INDIA OFFICE, dated 10th April 1900.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your letter of the 20th ultimo (F. 1044), with its enclosures, respecting the proposed establishment of a branch of the Royal Mint for the coinage of sovereigns at Bombay.

In reply, I am to request you to inform the Secretary of State for India in Council that my Lords are satisfied with the assurances given by the Government of India as to financial provision, and that they accept the proposal to exclude the half-sovereign from the arrangement whereby that Government undertakes to make good the loss on worn gold coin found in circulation in India, on the understanding that the coin in question is not made a legal tender in India.

As it is intended to coin sovereigns only in Bombay, my Lords have under consideration whether it will be more proper to take power in the Proclamation to coin pieces of that denomination only, or gold coin generally, as provided in the draft. Subject to this and to the addition of the recital referred to in the fourth paragraph of the Treasury letter of the 10th January last, they will be prepared to submit the instrument to Her Majesty as soon as Mr. Barton's report has been received and considered, and they are satisfied that adequate provision has been made at Bombay for the commencement of operations by the date of its promulgation.

I am to add that the Master of the Mint has expressed a wish to be furnished with a copy of the printed correspondence enclosed in your letter under acknowledgment, and any further correspondence upon the subject which has been printed, for purposes of record. My Lords would feel obliged if the documents could be furnished to them, for transmission to the Mint.

No. 25.

INDIA OFFICE to TREASURY, dated 20th April 1900.

WITH reference to Sir Edward Hamilton's letter of the 10th of April, I am directed by the Secretary of State for India in Council to forward, for transmission to the Royal Mint, a copy of correspondence* with the Government of India relating to the proposed arrangements for the coinage of gold in that country.

No. 26.

INDIA OFFICE to TREASURY, dated 27th April 1900.

I AM directed to acknowledge the receipt of your letter of the 28th March, forwarding a copy of the instructions which have been addressed to Mr. Robert

* To Government of India, dated 7th September 1899. From ditto, dated 5th October 1899. To ditto, dated 25th January 1900. From ditto, dated 22nd February 1900. To ditto, dated 3rd May 1900. Nos. 12, 14, 19, 20, and 27 of present series.

Barton, the Deputy Master of the Melbourne Mint, relating to the inquiries which he is to make as to the facilities existing at the Bombay Mint for the coinage of gold.

I am to express his Lordship's thanks to the Lords Commissioners of the Treasury for the trouble which has been taken in the matter, and his concurrence in the suggestions contained in your letter with reference to the payment to be made to Mr. Barton on his arrival in England.

No. 27.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India, to the GOVERNMENT OF INDIA, No. 66 (Financial), dated 3rd May 1900.

WITH reference to your letter of the 22nd of February, No. 54, I forward, for your information, a copy of further correspondence* with the Treasury relative to the arrangements for the coinage of gold in India.

2. I request that, when Mr. Barton, the Deputy Master of the Melbourne Mint, has concluded the inquiries referred to in the correspondence, I may be informed without delay of the dates of his arrival in, and departure from, India.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 28.

TREASURY to INDIA OFFICE, dated 27th June 1900.

WITH reference to your letter of the 10th March last (F. 959), on the subject of the investigation to be made by Mr. Barton into the provision required at Bombay for the establishment of a branch of the Royal Mint, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Secretary of State for India in Council, the enclosed copies of reports by the Deputy Master of the Royal Mint and by Mr. Barton.

My Lords would be glad to be favoured with the views of Lord George Hamilton at as early a date as possible upon the two questions suggested at the close of Mr. Seymour's report, namely, as to the choice between the two alternative sites indicated by Mr. Barton, and as to the amount of the annual coinage for which provision should be made.

For the convenience of your Department, I am also to enclose the plans in original, which I am to request you to be so good as to return.

Enclosure 1 in No. 28.

ROYAL MINT to TREASURY dated 18th June 1900.

I AM directed by the Master of the Mint to transmit, for the consideration of the Lords Commissioners of Her Majesty's Treasury, a copy of the report on the proposal to establish a branch of the Royal Mint at Bombay for the coinage of sovereigns, with its enclosures, which I have now received from Mr. Barton, the Deputy Master of the Melbourne Branch. It will be in their Lordships' recollection that Mr. Barton, being about to return to this country on leave of absence, was directed to call at Bombay in order that he might be in a position to advise the Master of the Mint, not only on the various points of detail which require considera-

* To the Treasury, dated 10th March 1900. To ditto, dated 20th March 1900. From ditto, dated 28th March 1900, and enclosures. From ditto, dated 10th April 1900. To ditto, dated 20th April 1900. To ditto, dated 27th April 1900. Nos. 21 to 26 of present series.

tion before the coinage of sovereigns can be prudently proceeded with at Bombay, but primarily as to the premises available, or which will require to be erected for the purpose.

In considering this latter point, it will be seen that Mr. Barton presents two alternative proposals:—(1) To reserve a portion of the present Mint in the south-west corner for the exclusive coinage of gold, a course which will necessitate certain alterations in the structure, and the erection of new premises for the accommodation of the Deputy Master and the assayers; (2) The erection of a new and complete gold Mint on vacant grounds at the north-east angle of the Bombay Mint. Mr. Barton recommends the latter course, and he urges in its favour that, while the former alternative is at best only a makeshift, the other will afford better provision for the purpose in view.

This second proposal must necessarily be the more expensive, being estimated to cost 194,000 rupees against 133,000 rupees in the former case, and must occasion considerable delay before the gold coinage can be inaugurated; and, in the absence of precise knowledge as to how far the Bombay Mint will be really required in the future, in addition to that at Calcutta for subsidiary currency, now that the free coinage of silver is discontinued, the Master of the Mint feels some difficulty in advising as to which course it is desirable to adopt. He understands that, although since 1893 the coinage at Bombay has been trifling in amount, the Mint was, at the time of Mr. Barton's visit, fully occupied on silver coinage, and that, if it is considered necessary that such an out-turn should always be possible in the future, no portion of the present premises can conveniently be dispensed with. It seems essential, therefore, before any steps can be taken in deciding as to the gold mint, that the Government of India should be invited to state definitely what are their intentions as to the future demands to be made on the Bombay Mint for subsidiary and other coin, and whether, when gold is coined there, any material portion of that work can be entrusted to the much larger Mint at Calcutta.

From an examination of the Reports of the Calcutta and Bombay Mints, it appears that during the six years 1893–94 to 1898–99, the annual average number of coins struck at Calcutta was 103,818,180, the largest number being 149,342,640 in 1897–98, while Bombay produced 24,841,600 annually, with a maximum of 55,125,269 in 1893–94. From these figures it would appear that the bulk of the work executed at Bombay could, without inconvenience, be transferred to the former Mint; and, if this is the case, the Master of the Mint would recommend that the first alternative proposed by Mr. Barton be adopted as a basis, as the initial cost would be considerably less, and the premises could be arranged for the new class of work with greater promptitude.

A second essential point which requires consideration is the capacity of the gold mint. Mr. Barton has provided for the coinage of all the gold at present produced in India, say 2,000,000*l.* per annum, and, although the suggested premises would doubtless be capable of dealing with a larger amount on an emergency, there appears to be no provision for enlargement should occasion arise. This is especially the case with the proposed new premises at the north-east corner, and, should it be determined to erect them, it seems most important that they should be altogether on a larger scale from the first. From an examination of the plan it appears that additional space could be secured by demolishing certain outlying buildings, or it might be considered preferable to erect the Mint elsewhere than in the present Mint enclosure.

In view of the uncertainty which at present exists in regard to the future demands likely to be made on the Bombay Mint for subsidiary silver and bronze coin, the Master of the Mint deems it unnecessary to consider in detail the arrangements of buildings, or the additional machinery which would be required, but I am to state that, on being informed as to the views of the Indian Government as to the two points referred to above, namely, (1) Whether any, and if so, what portion of the Bombay Mint can be assigned to the exclusive coinage of gold, and (2) What annual coinage is to be provided for, he will be prepared to consider how far Mr. Barton's proposals can be carried out, and whether any modification should be made in them. I am to add that it is desirable that this information should be obtained with as little delay as possible, in order that, should occasion arise, Mr. Barton can be consulted during his stay in this country.

Enclosure 2 in No. 28.

From Mr. BARTON to the ROYAL MINT, dated 28th May 1900.

IN accordance with the instructions conveyed to me in your letter of 23rd March last, that I should report on the facilities of the Mint at Bombay for gold coinage, I have now the honour to submit my report.

I may state at the outset that Mr. D. M. Forbes, the Chief Engineer of the Bombay Mint, is of opinion that the 25-horse engine worked up to a pressure of 85 lb. is more than sufficient to drive the machinery which it will be necessary to provide for this branch of the Royal Mint.

In view of this it appeared unnecessary to include the 40 and 20 horse engines, and the rooms containing the machinery driven by them, in the scheme of reconstruction.

The accompanying plan, marked A, shows approximately how a portion of the south-west angle can be adapted for a gold mint; the scheme is confined to the portion bounded by the wall H H on plan.

It is recommmended that all openings (except windows) on this line of wall be permanently bricked up, the windows to be securely closed with a double covering of stout iron wire netting, leaving a space between the wire in order to prevent anything being passed through.

It is absolutely necessary in a climate like that of Bombay that provision should be made for a good circulation of air throughout the buildings, so wire netting is recommended in preference to closing with brickwork.

For the same reason a similar double wire netting fence will have to be constructed along the outer edge of the verandah E as shown by red line on plan.

A substantial stone coping surmounted by a high iron railing already exists on the frontage, and by continuing a similar fence along the side, from I to I on plan, the portion thus enclosed would be completely shut off from the rest of the Bombay Mint.

As will be seen by the plan, most of the rooms are very irregular in shape and are approached through long passages which I found to be more or less dark, and there are many places in which natives might conceal themselves.

To a certain extent these objections will be met by the proposed re-arrangement as shown on the plan, but it cannot be called a suitable arrangement for the various operations of a gold coinage conducted with native labour, and at the best is only a makeshift.

In view of the fact that native labour must be employed, I am inclined to think it would be preferable to construct a new Mint on a small scale. I have therefore had an alternative plan prepared, which, if carried out, would appear to be far more convenient and give greater security owing to the facilities of supervision.

An estimate of the cost of these two schemes is being prepared in Bombay and will be forwarded in due course.

There is a suitable piece of vacant ground available, about 3,700 square yards at the north-east corner of the Bombay Mint and within the Mint enclosure; it is already enclosed on two sides with a stone wall surmounted by a substantial high iron railing, and it would only be necessary to provide a similar fence on the other two sides.

Machinery and Plant.—The melting furnaces are round cast-iron frames lined with arch firebricks.

These furnaces are far too large and unsuitable for gold melting, and it will be necessary to construct say six furnaces in room marked B on plan. I would recommend that these furnaces be constructed on the same principle as those in use at Melbourne.

Bar Moulds.—A set of bar moulds and carriage for half-rupee bars is available, the carriage holds fifty bars, measuring $26\frac{1}{4}$ inches by $1\frac{5}{8}$ inches by $\frac{3}{8}$ inch. Melbourne sovereign bars measure 26 inches by $1\frac{9}{16}$ inches by $\frac{3}{8}$ inch, so these moulds would be suitable for sovereigns. If half-sovereigns are to be coined it will be necessary to provide new moulds in addition to the above.

Crane.—A travelling crane will have to be provided for lifting and pouring.

Crushing Mill, Shearing Machine.—A small crushing mill for crushing pots, and a mill for amalgamation of sweeps will also be required; also a shearing machine for cutting off ends of bars and punching out assay clip.

Chlorine Generators.—I would also recommend that two chlorine generators with fittings be provided for toughening gold, which might turn out to be brittle after melting.

Rolls.—I examined and tested the rolls and found them in excellent order, owing to accurate method of lapping devised by the Chief Engineer, Mr. D. M. Forbes.

So excellent is the rolling that the dragbench has been dispensed with.

Four pairs of rolls will be required, namely, two pairs of 14 or 12-inch breaking-down rolls and two pairs of 10-inch adjusting rolls, with duplicate spare rolls for each.

Cutting Presses.—Bearing in mind the possible expansion of the coinage of the future, I would recommend the eight cutting-out presses be provided, that is, one trial press, one standard press, and six others adjusted to cut different weights.

Washing Machine.—Blanks and scissel are not washed in the Bombay Mint, and no appliances exist for the purpose, and I recommend that a washing apparatus be provided similar to the one in use in the Melbourne Mint.

Annealing Furnaces.—The annealing furnaces are large reverberatory, and quite unsuitable for annealing sovereign blanks, it takes two-and-a-half hours to get up the necessary heat, and they burn upwards of 15 hundredweight of coal per day.

I would recommend that an annealing furnace, also a washing and drying apparatus as used in Melbourne, be provided.

Coining Presses.—Three coining presses will be required, and three Watts' lever presses are available.

Automatic Balances.—The automatic balances are in admirable order, and many of them are weiging sovereigns with precision; six of these balances will, I think, be sufficient for a commencement.

It will be necessary to provide a water tank and turbine to drive them. As the coinage will not be large, and apparently no necessity to complete it at short notice, blanks and sovereigns could be weighed on the same balances if it is considered desirable to do so.

Motive Power.—As stated at the beginning of my report the 25-horse engine is more than sufficient to drive all the above machinery; I append a list of machines it is at present driving.

Strongholds.—The strongholds throughout the Bombay Mint are admittedly very insecure. Their general construction is as follows:—Rubble walls about 2 feet thick, stone floors 6 inches thick laid on concrete, one or two windows in each about 15 inches square, closed with iron bars say 4 inches apart, covered with iron wire netting about $\frac{1}{4}$-inch mesh wired on to bars, ceilings in some cases of T-iron, with stones 6 inches thick, cut to size and dropped in, the whole then cemented outside.

The doors are of sheet iron, secured with two small locks throwing a small bolt, in some cases three bolts.

The keyholes are covered with a flat iron bar secured at one end with a Chubb's brass padlock and socketed at the other.

I recommend that proper stronghold doors, each with three keys, be provided, and that each of the strongholds shown on the plan be lined with steel plates.

All the strongholds are very lofty but it would not be necessary to carry the steel lining up to the roof.

Bullion Balances.—All the bullion balances in the Bombay Mint are used for weighing heavy drafts of silver bullion, 16,000 tolas equal to say 6,000 ozs. troy; these drafts are weighed to half a tola (90 grs.) only, these balances are not therefore sensitive enough and are unsuitable for weighing gold.

The following balances and weights will probably be required:—

1 Chancellor balance.
1 Oertling to carry 600 ozs.
3 large to carry 2,000 ozs. (Degrave, Short & Co.).
1 Pyx weighing scale.
2 scales for journeying coin.
2 gauger's balances.
1 Oertling to carry 200 ozs.
1 balance for weighing sovereigns by hand.
1 set of standard troy weights 600 ozs. down.

5 sets troy weights 600 ozs. down.
1 set troy weights 300 ozs. down.
1 iridio-platinum standard weight 10 ozs. troy.
1 iridio-platinum standard sovereign weight.
1 iridio-platinum standard half-sovereign weight.
2 sets grain weights 1,000 grs. down.

The Assay Master's Office of the Bombay Mint is well provided with every appliance for testing weights and those of the Branch Mint could no doubt be tested from time to time by the Assay Master on requisition.

Repairs to Machinery and Balances.—The Bombay Mint possesses extensive workshops fitted with every modern appliance and a good staff of engineers. All repairs to machinery and balances, lapping of rolls, &c., could be done in these workshops on requisition from the Branch Mint, thus saving the expense of new workshops.

Staff.—The question of the staff of a gold mint to be worked with Native labour presents a problem of some difficulty.

The system of the custody of the bullion in the Bombay Mint is totally different to that of the London Mint or any of its branches, owing, I am informed, to the necessity of employing Native labour. It may be briefly stated thus:

The Mint Master appoints a Bullion Keeper, a Deputy Bullion Keeper and a staff of Assistant Bullion Keepers; at present there are eight of the latter.

I append a list of the staff of the Bombay Mint showing the salaries paid to these gentlemen and the amount of security deposits they are required to find; it should be stated that they are allowed interest on these deposits. (*Not transmitted to Treasury.*)

I also append a statement of their several duties furnished by Major Davidson, R.E., the Mint Master.

It will be observed that the Bullion Keeper is responsible for all the bullion in the Mint (except what is in charge of the melters).

These Bullion Keepers are Natives (Parsees) and therefore understand the language and management of Natives: this is the most important point.

They have certain executive duties to perform and are under the direction of the European Superintendents who direct the various coinage operations, and, should any loss occur, assist the Bullion Keepers to ascertain the cause.

Owing to the climate of Bombay it will be absolutely necessary to carry on the operations of the Mint with Native labour, as I am informed that Europeans could not stand the work in such a climate.

This being the case the system of Bullion Keepers as practised in the Bombay Mint appears to me to have special advantages, not only in providing good security for the gold but also a means of controlling the Native labour to the best advantage; I therefore recommend its adoption.

I append a list of the staff which I think would be necessary under this system and with the arrangement of the rooms proposed as per plan, but if it is decided to construct a new Mint the list might require some modification.

I regard it of the utmost importance that the first staff of Superintendents should if possible be selected and transferred from the staff of the Bombay Mint.

This appears to me to be very desirable, as officers appointed from outside would be at a great disadvantage as to controlliug power unless they understood and could speak the Native language.

Searching.—I may here state that the plan adopted in the Bombay Mint to prevent peculation is one of rigid search.

A staff of Native police and watchmen is employed throughout the Mint, and no workman is allowed to leave a room even for a few minutes without being previously searched. A native sepoy searcher stands at the door of every room.

Dual Control of Staff.—With reference to paragraphs 18 and 20 of your letter of instructions, it is not easy to conceive how it would be possible to have a staff common to the two Mints with dual control without friction; more especially if it is considered to be essential that the staff common to the two Mints shall always be available for the gold coinage as indicated in paragraph 18.

In view of the great stress laid by you on your own ultimate responsibility for the integrity of the sovereign issued, it would also appear to be advisable that the staff of the Branch Mint should be entirely independent of the Indian Government

both as regards appointment and control. This appears to be contemplated under clause 7 of the draft Proclamation.

With regard, however, to the workshops, there would probably be no difficulty in arranging that the existing staff of artificers of the Bombay Mint should be utilised to do the necessary repairs to machinery in the manner I have already suggested; these artificers would, of course, remain under the control of the Mint Master, Bombay, and their services would only be utilised on requisition from the new branch.

Assay Department.—It appears to me to be desirable that the Assay Department should be entirely independent of the Indian Government both as regards appointment and control, moreover the Assay Department of the Bombay Mint is not sufficiently equipped for the contemplated coinage of gold.

A complete modern plant will therefore have to be provided for the Assay Department.

In conclusion, I desire to express my thanks to Major Davidson, R.E., the Mint Master, and to his Staff for the great assistance afforded me while carrying on this enquiry.

Bullion Department.

The staff of the Bullion Department comprises a Bullion Keeper, a Deputy Bullion Keeper, and eight Assistant Bullion Keepers on the permanent establishment.

In addition to the above, extra Assistant Bullion Keepers are engaged temporarily as required from time to time, their number varying with the amount of coinage which is being carried out. All the appointments on the permanent establishment are made by the Mint Master, but the Bullion Keeper is allowed to nominate the men engaged on the extra establishment.

The Bullion Keeper (pay Rs. 300, security deposit Rs. 25,000) is responsible for all the gold, silver, and copper in the Mint (except what is in the charge of the melters), and holds one key of each stronghold, the other keys being with the Assistant Mint Master and Superintendents of Departments.

The Deputy Bullion Keeper (pay Rs. 70—100, security deposit Rs. 1,500) has charge, under the Bullion Keeper, of strongholds Nos. 2 and 4, where Government and merchants' bullion respectively is stored. Assists the Bullion Keeper to examine and check the accounts of the Bullion Department, and supervises the examination of uncurrent coin received from Government treasuries.

Of the eight Assistant Bullion Keepers on the permanent staff, two are engaged in weighing bullion on its receipt into the Mint and issue to the Standard Melting Department. The other six Assistants are distributed among the various branches of the Mechanical Department, each having charge, under the Bullion Keeper, of a stronghold for which he is responsible.

When remittances of new coin are made from the Mint to the Reserve Treasury an Assistant Bullion Keeper is sent in charge, and supervises the examination of the coin at the Treasury.

The salaries of the Assistant Bullion Keepers range from Rs. 75 to Rs. 30 per mensem, and the security deposits from Rs. 500 to Rs. 100.

Extra Assistants engaged on the temporary staff are paid Rs. 30 per mensem, and furnish a security of Rs. 100.

The Deputy Bullion Keeper, and all the Assistants, are under the orders of the Bullion Keeper.

4th May 1900. (Initialled) J. D.

Proposed Superior Controlling Staff of Branch Mint, Bombay,

1 Deputy Master and Superintendent.

Bullion Office.

1 Accountant and Chief Clerk, who, under the supervision of the Deputy Master and Superintendent, would be responsible for the receipt and issue of gold, and for the correspondence of the Mint. European.
2 Clerks, who would keep the books.—Natives.
1 Bullion Keeper, who, under the supervision of the Accountant and Chief Clerk, would receive the gold, and would be primarily responsible for its safe custody until delivered to the Melter, and who would personally check the alligation of the standard pots in the Bullion Office balance, and then deliver the same to the Melter at the Melting House balance in the presence of the Melter.—Native.

Melting Department.

1 Melter, who, under the supervision of the Deputy Master and Superintendent, would direct the operations of his department, and be responsible to the Deputy Master and Superintendent for the bullion in his department.—European.
1 Clerk, who would keep the books of the department.—Native.

Coining Department.

1 Superintendent Engineer of Coining Department, who, under the supervision of the Deputy Master and Superintendent, will direct the operations of rolling, adjusting, cutting, annealing, and coining.—European.
1 Balance Mechanician, who, under the supervision of the Superintendent Engineer, will be responsible for the weighing by the automatic balances, and for all balances and weights in the Mint, and would take the place of the Superintendent Engineer if necessary.—European.
1 Assistant Bullion Keeper, who, under the direction of the Superintendent Engineer, and Bullion Keeper, will be responsible for the bullion while in the cutting, annealing, coining, and weighing rooms, and will keep the books of the room.—Native.
1 Assistant Bullion Keeper, who, under the direction of the Superintendent Engineer, and Bullion Keeper, will be responsible for the bullion while in the rolling and adjusting room.—Native.

Assay Department.

1 Chief Assayer.
1 Assistant Assayer.

Summary.

1 Deputy Master and Superintendent.—European.
1 Accountant and Chief Clerk.—European.
1 Melter.—European.
1 Superintendent Engineer of Coining Department.—European.
1 Balance Mechanician.—European.
1 Bullion Keeper.—Native.
2 Assistant Bullion Keepers.—Natives.
2 Clerks.—Natives.
1 Chief Assayer.—European.
1 Assistant Assayer.—European.

R. B.

Proposed Subordinate Working Staff, Natives.

Bullion Office.

2 Messengers.

Melting Department.

6 Furnace men.

Coining Department.

6 Men, rolling and adjusting mills.
7 Men, cutting presses.
2 Men, washing machine.
2 Men, annealing.
2 Men, marking and weighing.
3 Men, coining presses.
1 Engine-driver.
3 Men, firemen.
1 Fitter.

Assay Department.

8 Firemen.

The above numbers of the working staff are only approximate, and would be subject to alteration at the discretion of the Deputy Master.

R. B.

List of Machines being driven by 25-horse engine.

West Coining Department.—12 Lever coining presses.
1 Packing machine (examining coin).
1 Emery wheel (for grinding tools).

East Coining.—7 Screw coining presses (vacuum).
1 Packing machine.

Adjusting Department.—8 Pairs of rolls (10 inch diam.).
2 Lathes for turning punches and dies.
1 Emery wheel.

Cutting Department.—13 Cutting presses (10 fitted with automatic feed cutting two rupee blanks at each stroke).
4 Circular files (for trimming edges of straps).

Weighing Department.—68 Automatic weighing machines.
4 Edging machines (marking).
2 Filing machines (reducing blanks).
1 Counting machine.
1 Lathe.

Annealing Department.—1 Emery wheel.
1 Rouleaux machine.

R. B.

Articles which could be transferred to the New Branch Mint without crippling the Bombay Mint.

1 Dragbench.
1 Trial cutting press.
3 Watt's lever coining presses.
6 Automatic balances.

R. B.

No. 29.

SECRETARY OF STATE to VICEROY, dated 28th June 1900.

(Telegraphic.)

MY Financial Despatch No. 66, 3rd May 1900, gold coinage. I have received from Treasury copy of Barton's report. He submits two alternatives: (1) to reserve a portion of present Mint, S.W. corner, for exclusive coinage of gold, which involves structural alterations and erection new premises for Deputy Master and Assayers; (2) to build new Mint on vacant ground N.E. angle present Mint. Probable cost No. 1, Rs. 133,000; No. 2, Rs. 194,000. Adoption of No. 1 would imply that you can safely dispense with a portion of present accommodation for silver coinage. Please consider whether this is advisable. Both alternative estimates depend on assumption gold coinage will not exceed two millions sterling per annum. If you

think this may not be enough, No. 2 must be adopted and estimate must be raised. Barton recommends No. 2. Desirable, if possible, to receive your views while Barton at home. Please telegraph as soon as possible. Copies of report go to you and to Mint Master, Bombay, by next mail.

No. 30.

VICEROY to SECRETARY OF STATE, dated 16th July 1900.

(Telegraphic.)

YOUR telegram 28 June. Gold coinage. We recommend adoption of Barton's second scheme. It is difficult to say whether annual coinage will exceed 2,000,000*l.* It will be sufficient to provide for that amount at the beginning. Buildings and machinery should be capable of extension if larger out-turn should prove necessary.

No. 31.

INDIA OFFICE to TREASURY, dated 24th July 1900.

WITH reference to your letter dated the 27th of June, No. 10,698, enclosing the reports of the Deputy Master of the Royal Mint and of Mr. Barton on the subject of the branch mint to be constructed at Bombay, I am directed by the Secretary of State for India in Council to transmit, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of a telegram which was addressed to the Viceroy on the 28th of June, and of his Excellency's reply dated the 16th of July.

Lord George Hamilton accepts the view of the Government of India that the alternative scheme recommended by Mr. Barton should be accepted; and that provision should, in the first instance, be made for an annual coinage of 2,000,000*l.* a year, the buildings and machinery being so constructed as to be capable of extension when required.

I am to request that such measures may be taken as will enable the necessary works to be begun with the least possible delay.

The original plans which accompanied your letter are herewith returned.

No. 32.

TREASURY to INDIA OFFICE, dated 18th August 1900.

WITH reference to your letter of the 24th ultimo (F 3541), I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit, to be laid before the Secretary of State for India in Council, the enclosed copy of a further report by the Deputy Master of the Royal Mint and its accompanying plan (in original) relating to the accommodation to be provided for the proposed Gold Mint at Bombay.

In view of the desire of the Government of India that Mr. Barton's second scheme should be adopted with provision for the extension of the buildings and machinery when required, Mr. Seymour now recommends a considerable extension of the area included under that scheme. This is in accordance with his former report of the 18th June, where he pointed out that the scheme as it stood afforded no opportunity for enlargement.

Mr. Seymour also recommends that, with a view to obtain precise information as to the cost of the new Mint, the authorities in Bombay should be directed to prepare working drawings of buildings on the lines indicated in the enclosed plan, and he adds that, if desired by Lord George Hamilton, the Master of the Mint will take steps to ascertain the cost of the machinery to be provided.

Enclosure in No. 32.

REPORT by the DEPUTY MASTER of the ROYAL MINT, dated 11th August 1900.

THE Indian Government having decided to adopt Mr. Barton's alternative suggestion to build a new mint for the coinage of gold, and whilst making provision for an annual coinage of 2,000,000*l.*, to provide also for extension if a larger out-turn should be required, I think it will be necessary, not only for purposes of extension, but also in order to secure greater space for the working rooms in view of the trying climate of Bombay, to materially extend the area on which the new mint buildings will be erected, and to this extent to amend the plan marked C. submitted by Mr. Barton. I enclose a further plan accordingly, but this, like that of Mr. Barton, must only be regarded as drawn in order to show the general arrangement of the rooms required on the ground floor for the receipt and custody of bullion and for the various operations of and incidental to coinage. It is for the authorities on the spot to prepare plans for the elevation and working drawings, and to undertake the erection of the buildings themselves.

The total space enclosed within the boundary wall in Mr. Barton's plan C. is about 39,000 square feet, and that in the amended plan now submitted is 63,000 square feet, whilst the present Bombay Mint occupies a space of about 380,000 square feet. It is desirable that advantage should be taken of electricity as a motive-power for driving the machinery, and a separate enclosure with special entrance is reserved in the plan submitted on the south-east face of the present Mint for the boilers and engines which generate electricity, and for coal stores, repairing shops, &c. Besides serving to isolate the members of the staff who are not actually concerned in coinage operations, such an arrangement will prevent the serious waste of power required for driving long lines of shafting, while rendering it possible to drive the lighter machines by distinct engines from those supplying motive-power to rolling mills and other heavy machinery; if such a course is considered desirable it will enable the premises to be also lighted by electricity at a moderate expense.

From a comparison of the two plans it will be seen that, in extending in a westerly direction, some of the buildings, which already exist in connection with the present Mint, and are devoted to refining furnaces, washing room, and melters' stores, will be incorporated in the new premises, while some are left to the existing Mint and others demolished. It seems needless to enter into a detailed consideration of the plan, as it follows the general arrangement of that submitted by Mr. Barton, but it may be useful to set down the approximate areas of the principal rooms in the two plans as well as those of the corresponding rooms in the London Mint and in the Branch Mint at Melbourne. These particulars are given in the following tabular statement:—

APPROXIMATE AREAS of Principal Working Rooms in the London, Melbourne, and proposed Bombay Mints.

Room.	London Mint.	Melbourne Mint.	Proposed Bombay Mint.	
			Mr. Barton's Plan C.	Amended Plan.
	Sq. ft.	Sq. ft.	Sq. ft.	Sq. ft.
Melting house (gold)	1,180	3,040	1,120	2,620
Melting house office	300	510	780	870
Grinding rooms	850	—	470	560
Rolling and cutting rooms	4,700	7,300	1,420	2,660
Coining room	2,200			1,400
Weighing room	2,300	1,770	430	1,400
Assay office	2,800	2,400	1,450	2,800
Boiler house	1,080	860	460	1,700
Engine room	1,050	560	420	1,530
Mechanics' shops, &c.	3,500	1,130	—	2,880
	19,960	17,570	6,550	18,420
Coal store	—	—	1,700	1,900
Total	—	—	8,250	20,320

The experience of the officers of the Bombay Mint may lead them to recommend modifications in regard to this distribution of the space available. The main building, facing north, should probably be of two storeys, affording on the first floor offices for the Deputy Master and Superintendent, with waiting rooms, &c., and possibly additional space for the Assay Office. I should point out that in the plan now submitted, no provision whatever has been made for the refining of native gold or metal which is in any way unfit for coinage. These services will, it is understood, be otherwise provided for by the Indian Government.

Mr. Barton, in his report dated the 28th May last, makes certain recommendations in regard to the machinery and plant which will be required in the first instance, and he enumerates a few items which can be transferred from the present Mint. I only propose in the present report to refer to two general principles in connection with this branch of the subject, which it seems necessary to bear in mind when erecting an entirely new Mint.

Annealing Furnaces.—Experiments are now about to be made in the London Mint in the use of gas as fuel for annealing "fillets" and "blanks" for coinage, and should these be successful I recommend that gas, which is understood to be available at Bombay, should be used in the new Mint, as it is more cleanly and requires much less space for efficient working.

Motive Power.—It has already been suggested that this should be applied electrically, and I propose that not less than three engines should be provided (one of these being as a reserve) directly coupled to dynamos, and that all the heavier machinery should be driven from one engine, while the lighter machines, such as cutting and coining presses, should be driven from the other. The machines themselves would be driven by motors actuated by the dynamos, and would be coupled up to these motors in convenient groups. One of these dynamos could provide current for lighting purposes if so desired, and the lift in the Bullion Office could also be actuated by its means.

With a view to obtain precise information as to the cost of the new mint, I recommend that the authorities in Bombay should be directed to prepare working drawings of buildings on the lines indicated in the accompanying plan, and, if desired by the Indian Government, the Master of the Mint will take steps to ascertain the cost of the machinery to be provided.

No. 33.

INDIA OFFICE to TREASURY, dated 22nd August 1900.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 18th instant, No. 12,995, on the subject of the accommodation to be provided for the proposed Gold Mint at Bombay, and to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that a copy of your letter and its enclosures will be forwarded to the authorities in India, with a view to the preparation of working drawings of the buildings.

I am at the same time to request that the Master of the Mint will be so good as to ascertain the cost of the machinery to be provided.

No. 34.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India, to the GOVERNMENT OF INDIA, No. 158 (Financial) dated 6th September 1900.

IN continuation of my Despatch of the 3rd of May last, No. 66, and with reference to the telegraphic correspondence noted below,* I forward for the

* From Secretary of State to Viceroy, dated 28th June 1900. No. 29 of present series.
From Viceroy to Secretary of State, dated 16th July 1900. „ 30 „ „

information of your Excellency's Government, a copy of further correspondence with the Treasury,* in regard to the arrangements to be made at Bombay for the proposed gold mint.

2. A copy of the letter from the Treasury of the 18th August, and of its enclosures, was sent to the Mint Master at Bombay by the mail of the 24th of August; and, if you should consider that any modifications in the plan proposed by the Deputy Master of the Royal Mint are desirable, I request that an early communication on the subject may be made to me.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 35.

From VICEROY to SECRETARY OF STATE, dated 26th September 1900.

(Telegraphic.)

YOUR Financial Despatch, No. 158, 6th September, branch Mint. We consider Seymour's proposed expansion of Barton's scheme unnecessary. Barton's scheme worked out on the spot appears sufficient, and is capable of expansion in future if necessary. We request approval to preparation of working plans for it instead of Seymour's expansion.

No. 36.

INDIA OFFICE to TREASURY, dated 5th October 1900.

IN continuation of the letter from this Office of the 22nd August, I am directed to acquant you, for the information of the Lords Commissioners of Her Majesty's Treasury, that a telegram has now been received from the Government of India, stating that they consider Mr. Barton's scheme for the provision of a Gold Mint at Bombay, which was worked out on the spot, to be sufficient for the present, and to be capable of expansion in future, if necessary.

The Government of India accordingly request the approval of the Secretary of State for India in Council for the preparation of working plans for the proposed Mint, in accordance with Mr. Barton's scheme, instead of the expansion of that scheme, which was transmitted with your letter of the 18th August.

No. 37.

TREASURY to INDIA OFFICE, dated 29th October 1900.

IN reply to Sir H. Walpole's letter of the 5th instant (F. 4998), I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Secretary of State for India in Council, that the Deputy Master of the Royal Mint has conferred with Mr. Barton upon the proposal of the Government of India to adhere to the scheme which Mr. Barton prepared in India for the provision of a gold mint in Bombay.

Mr. Barton observes that, on going into the details of the machinery required, data for which were not at his disposal when in India, he now finds that the space provided in his plan for the machinery devoted to coining is insufficient. Having carefully reconsidered the matter, he now recommends that extra space be acquired by extending the whole plan to the southward, as suggested by Major Davidson in his report of 23rd July 1900.

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* Letter from Treasury, dated 27th June 1900, and enclosures. No. 28 of present series.
Letter to ditto, dated 24th July 1900. No. 31 of present series.
Letter from ditto, dated 18th August 1900, and enclosures. No. 32 of present series.
Letter to ditto, dated 22nd August 1900. No. 33 of present series.

Mr. Seymour concurs with Mr. Barton in the opinion that the scheme in question, so far as space is concerned, is inadequate for the present needs, and he adds that it is not sufficiently elastic to provide for future extension except by a re-arrangement which cannot but prove very costly.

Mr. Seymour, in his report to this Board, proceeds as follows :—

If the Indian Government prefer that the extension should take place to the south rather than to the west, they can have drawings prepared accordingly, but it is obvious that some of the accommodation in Mr. Barton's plan is unduly contracted. The chlorine room for which he makes provision is not required, and I have no hesitation in saying that the space required for the engine room and boiler house, &c., should be outside the mint buildings, as proposed in the plan which accompanied my Memorandum of the 11th of August last.

With regard to the cost of the machinery to be provided, which was referred to in Sir A. Godley's letter of the 22nd of August last, any estimate can only be approximate, and must depend on the variation in price which may occur between the present time and the date when tenders are issued. On the assumption that electricity will be the sole source of power, as I have already recommended, and allowing for certain machines already on the spot in the Bombay Mint, and which it is understood will be available for the New Branch, such as two coining presses, six automatic balances, &c., the net cost of the machinery and appliances to be purchased may be taken at 9,000*l*, including packing and delivery f.o.b. in London or Liverpool, but not reckoning charges for freight and erection in Bombay.

I should add that it is understood that the gold to be presented to us for coinage at Bombay is to be fit for coinage, and that the authorities of the Bombay Mint should accordingly be instructed to provide the necessary plant for gold refining, and to make themselves familiar with the processes without loss of time. The bulk of the gold which will reach them will probably be in a very rough state and require careful treatment.

No. 38.

Despatch from the Right Hon. LORD GEORGE HAMILTON to the GOVERNMENT OF INDIA, No. 207 (Financial), dated 8th November 1900.

IN continuation of my Despatch of the 6th of September, No. 158, and with reference to your Excellency's telegram of the 26th of September, I forward a copy of further correspondence* with the Treasury, relative to the proposed gold mint at Bombay; and request that the views of your Government may be communicated to me as early as may be practicable.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 39.

Letter from the GOVERNMENT OF INDIA to the SECRETARY OF STATE FOR INDIA, No. 11 (Finance and Commerce), dated 10th January 1901.

WE have the honour to acknowledge the receipt of your Lordship's Despatch No. 207 (Financial), dated the 8th November 1900, forwarding further correspondence with the Treasury relative to the proposed Gold Mint at Bombay.

2. We observe that Mr. Barton, after going into details which were not at his disposal when in India, came to the conclusion that his scheme No. II. as originally submitted did not afford sufficient space for the coining machinery, and

* Letter to Treasury, dated 5th October 1900. No. 36 of present series.
Letter from ditto, dated 29th October 1900. No. 37 of present series.

recommended that the whole plan should he extended to the southward. Moreover, Mr. Seymour points out that the original plan does not provide for future extension, and urges that the engine and boiler-house should be outside the Mint buildings.

3. We have, in accordance with these views, caused a revised plan to be prepared, in which both the above requirements are attained; and we enclose a tracing of this plan for your Lordship's information. We have requested the Mint Master to have working plans and estimates prepared according to the revised scheme.

4. We have also ordered the preparation of the necessary plans and estimates for the addition of a gold refinery to the Silver Mint. When these are ready, we shall forward them to your Lordship.

We have, &c.
(Signed) CURZON.
E. H. H. COLLEN.
A. C. TREVOR.
C. M. RIVAZ.
T. RALEIGH.
E. FG. LAW.

No. 40.

INDIA OFFICE to TREASURY, dated 29th January 1901.

WITH reference to your letter dated the 29th of October 1909, No. 17,435, regarding the construction of a Mint for the coinage of gold at Bombay, I am directed by the Secretary of State for India in Council to forward a copy of a letter from the Government of India, dated the 10th of January, No. 11, together with a tracing of the revised plan which has been prepared, to meet the views of the Deputy Master of the Royal Mint and of Mr. Barton.

A further communication will be made to you when the plans and estimates for the Mint and for the gold refinery are received from India.

No. 41.

TREASURY to INDIA OFFICE, dated 12th March 1901.

THE Lords Commissioners of His Majesty's Treasury caused your letter of the 29th January, with its enclosed plans for the proposed branch Mint at Bombay, to be referred to the Royal Mint for examination, and I am now directed to request you to inform the Secretary of State for India in Council that they learn from a report which has been received from the Deputy Master that the space which the Government of India propose to set aside for the branch Mint is considerably less than what was stated to be necessary in Mr. Seymour's Memorandum of the 11th August 1900, a copy of which accompanied the Treasury letter of the 18th idem.

As the reasons for this reduction are not stated, the Deputy Master is not in a position, upon the information before him, to accept the accommodation provided by the revised plans as adequate, and he proposes to await the further particulars promised by the Indian Government before attempting to criticise the details of the scheme. He points out, however, that even if, on account of a reduction in the estimated probable amount of coinage or other reason, it may be desirable to accept a less extensive scheme than that proposed by him, the plans of the Government of India will require modification in several important respects.

My Lords suggest that when the further information arrives from India a representative of your Department should be authorised to meet Mr. Seymour and discuss the matter with a view to reaching an agreement on the proposed arrangements.

No. 42.

INDIA OFFICE to TREASURY, dated 15th March 1901.

IN reply to your letter of the 12th instant, No. 1851, I am directed by the Secretary of State for India in Council to point out that the reason why the Government of India propose to set aside for the branch Mint at Bombay less space than the Deputy Master of the Royal Mint considered to be requisite, was stated in the Viceroy's telegram of the 26th of September 1900 to be that Mr. Barton's scheme appeared to be sufficient for present purposes, and was capable of expansion in the future, if necessary.

On the receipt of your letter of the 29th of October, in which it was stated that Mr. Barton found that sufficient space had not been provided in his plan for the machinery devoted to coining, and that Mr. Seymour considered that enough room had not been allowed for future extension, and that the engine and boiler-house should be outside the Mint buildings, the Government of India prepared a revised plan in which they stated that both those requirements had been attained.

It is with regret that Lord George Hamilton now learns that these plans cannot be accepted as adequate, and that, before attempting to criticise the details, Mr. Seymour proposes to await further particulars from India, a course which must occasion further delay.

Lieutenant-Colonel Scott, R.E., the Mint Master at Calcutta, is at present on furlough in England; and I am desired to enquire whether the Lords Commissioners of His Majesty's Treasury are of opinion that it would facilitate an arrangement if he were instructed to call at the Royal Mint and discuss the subject with the Deputy Master.

No. 43.

TREASURY to INDIA OFFICE, dated 4th April 1901.

I am directed by the Lords Commissioners of His Majesty's Treasury to acknowledge the receipt of your letter of the 15th ultimo (F. 1317) further respecting the proposed establishment of a branch of the Royal Mint at Bombay.

In reply I am to request you to acquaint the Secretary of State for India in Council that they agree with him in regretting the delay which has taken place.

I am to point out, however, that responsibility would rest upon this Board if they concurred in the adoption of a scheme for a branch of the Mint which provided insufficient accommodation; that the Government of India have set aside the scheme submitted by the Deputy Master of the Mint and are proposing a scheme of their own, providing less extensive accommodation; and that my Lords have not yet received the communication promised by your letter of the 29th January (F. 453), which would presumably explain the reasons for the reduction and the grounds for considering the accommodation now proposed to be adequate.

My Lords will be glad to see any course taken which will facilitate an understanding between the Indian Government and the authorities of the Royal Mint. Accordingly they concur in the suggestion that the Master of the Calcutta Mint should discuss the subject with Mr. Seymour, provided Lord George Hamilton is satisfied that Colonel Scott has sufficient acquaintance with the circumstances of the Bombay Mint and the requirements of the present case, to be able to give the requisite information. It would be desirable that, before the interview, he should have an opportunity of going through the whole of the correspondence which has passed.

I am to add that, in their Lordships' opinion, the simplest way of expediting a settlement would be for the Government of India either to accept the scheme put forward by the Deputy Master of the Mint, or to say what are the precise reasons for objecting to it.

No. 44.

INDIA OFFICE to Lieut.-Colonel B. SCOTT, C.I.E., R.E., dated 15th April 1901.

WITH reference to your letter of the 24th of March, I am directed to inform you that the Lords of the Treasury have intimated that they concur in the suggestion that you should discuss with the Deputy Master of the Royal Mint the question of the provision to be made for the coinage of gold at Bombay.

I am therefore to request that you will be so good as to communicate with Mr. Horace Seymour, so as, if possible, to arrange for an interview at an early date.

A copy of correspondence on the subject, as noted below, is forwarded for your perusal. There is at this Office no copy of the tracing mentioned in the letter from the Government of India of the 10th of January last, which was forwarded to the Treasury on the 29th of January; but you will no doubt be able, on applying to the Deputy Master of the Mint, to see the one copy that has been received from India.

You will observe that two alternative schemes were prepared by Mr. Robert Barton, who, at the suggestion of the Treasury, was deputed to Bombay for the purpose; and that the Government of India, after expressing their willingness to carry out one of those schemes, have subsequently modified it in the hope of meeting the objections of Mr. Seymour. Mr. Seymour, on the other hand, has prepared a scheme in supersession of those put forward by Mr. Barton. What is now desired by the Secretary of State for India in Council is that it should be ascertained whether there is any hope that the modified scheme recently submitted by the Government of India may ultimately meet with the approval of the authorities at the Royal Mint.

Enclosure in No. 44.

List of Papers.

Despatch to India, No. 140, dated 25th July 1899.
Despatch to India, No. 177, dated 7th September 1899.
Letter from Government of India, No. 346, dated 5th October 1899.
Despatch to India, No. 12, dated 25th January 1900.
Letter from Government of India, No. 54, dated 22nd February 1900.
Despatch to India, No. 66, dated 3rd May 1900.
Telegram to Viceroy, dated 28th June 1900.
Telegram from Viceroy, dated 16th July 1900.
Despatch to India, No. 158, dated 6th September 1900.
Telegram from Viceroy, dated 26th September 1900.
Despatch to India, No. 207, dated 8th November 1900.
Letter from Government of India, No. 11, dated 10th January 1901.
Letter to Treasury, dated 29th January 1901.
Letter from Treasury, dated 12th March 1901.
Letter to Treasury, dated 15th March 1901.
Letter from Treasury, dated 4th April 1901.
Letter to the Treasury, dated 15th April 1901.

No. 45.

INDIA OFFICE to TREASURY, dated 15th April 1901.

IN reply to Sir Edward Hamilton's letter of the 4th instant, I am directed to state that Lord George Hamilton is satisfied that Colonel Scott, who for two years was Master of the Bombay Mint, is competent to give useful information bearing on

the schemes for the adaptation of that Mint for the coinage of gold; and his Lordship trusts that a conference between Colonel Scott and Mr. Seymour may have the effect of expediting an agreement between the Government of India and the authorities at the Royal Mint as to the alterations which should be made in the buildings and arrangements at Bombay.

A letter, of which a copy is enclosed, has accordingly been sent to Colonel Scott, requesting him to take an early opportunity of discussing the subject with Mr. Seymour.

The plans and estimates referred to in the last paragraph of the letter from this Office of the 29th of January have not yet been received; but a telegram has been sent to the Government of India enquiring when they may be expected.

No. 46.

INDIA OFFICE to TREASURY, dated 22nd April 1901.

IN continuation of Sir Horace Walpole's letter dated the 15th instant, I am directed to inform you that a telegram has been received from the Viceroy, saying that the plans and estimates for the gold mint at Bombay will be forwarded by the beginning of July.

No. 47.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India, to the GOVERNMENT OF INDIA, No. 82 (Financial) dated 26th April 1901.

WITH reference to the letter from your Excellency's Government of the 10th of January last, No. 11, I forward for your information a copy of further correspondence* relating to the proposed establishment at Bombay of a branch of the Royal Mint.

2. On the 6th of April I sent a telegram to your Excellency, inquiring when I might expect the plans and estimates mentioned in the last paragraph of your letter, and I learn from your reply of the 22nd that they will not be forwarded till July.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 48.

Lieut.-Colonel B. SCOTT, R.E., to INDIA OFFICE, dated 3rd May 1901.

I HAVE the honour to inform you, with reference to the instructions conveyed in your letter of the 15th April 1901, with enclosures, that I communicated with the Deputy Master of the Royal Mint, and arranged a meeting to discuss the question of the provision to be made for the coinage of gold in Bombay, after studying the plans which the Deputy Master kindly sent me, and writing a rough note for the Deputy Master on the modified scheme proposed by the Government of India.

Our first meeting was on the 25th April, when we discussed the various schemes already proposed, and took up the modified scheme recently submitted by the Government of India, and having discussed the various objections raised by the

* To the Treasury, dated 29th January 1901. From ditto, dated 12th March 1901. To ditto, dated 15th March 1901. From ditto, dated 4th April 1901. To ditto, dated 15th April 1901. To Lieut.-Col. Scott, dated 15th April 1901. Nos. 40 to 45 of present series.

Deputy Master, we came to the conclusion that another drawing should be made embodying the alterations agreed upon, and a tracing made of it. I received this tracing on the night of the 1st May, and went on the morning of the 2nd for the final settlement, which has now been made after some slight alterations in the new plan, and the tracing has now been signed by me, and has the approval of the Royal Mint. I may add that the general plan of the modified scheme submitted by the Government of India has been retained, with the exception of four rooms which are slightly enlarged.

The enclosures to your letter will be sent subsequently.

No. 49.

INDIA OFFICE to Lieut.-Colonel B. SCOTT, R.E., dated 6th May 1901.

I AM directed to acknowledge the receipt of your letter of the 3rd instant, relative to the arrangements to be made at Bombay for the coinage of gold, and to convey to you the thanks of the Secretary of State for India for the manner in which you have discharged the duties entrusted to you.

No. 50.

INDIA OFFICE to TREASURY, dated 6th May 1901.

IN continuation of my letter of the 22nd ultimo, I am directed to forward a copy of a letter* from Lieut.-Colonel Scott, R.E., on the subject of the plans for the proposed branch mint at Bombay, and to inquire whether the Lords Commissioners of His Majesty's Treasury are of opinion that any further communication should be made, by telegraph, to the Government of India.

No. 51.

TREASURY to INDIA OFFICE, dated 22nd May 1901.

IN reply to your letter of the 6th instant (F. 2324) further respecting the proposed establishment of a branch of the Royal Mint at Bombay, I am directed by the Lords Commissioners of His Majesty's Treasury to state, for the information of the Secretary of State for India in Council, that they have received a report from the Deputy Master of the Mint on his conference with Lieutenant-Colonel Scott, R.E., enclosing a tracing of the plan agreed upon.

While expressing their satisfaction that an agreement has now been reached, my Lords think it desirable, before practical steps are taken to carry out the scheme, to invite Lord George Hamilton to review the arguments originally advanced in favour of the coinage of the sovereign in India, and to consider whether the course of events in the two years which have elapsed since the proposal was made, has not tended to diminish their force, and to render such advantages as are likely to accrue from the establishment of a branch mint wholly incommensurate with the expense to be incurred.

At the time when the future of the currency of India was uncertain, the decision of the Government to coin sovereigns was important as a proof of their adherence to the principle of a gold standard and of their intention to take practical measures to establish it. Information was not at the time available as to the amount of gold likely to come in for coinage in India, or as to the ease or difficulty attending the supply of Indian currency needs from other sources. The gold standard is now firmly established, and the public requires no proof of the intention of the Indian Government not to go back on their policy, which is beyond controversy. Sovereigns are readily attracted to India when required under existing conditions, while, with

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* No. 48.

additional facilities for their coinage which will probably be given before long in Canada and South Africa, there can be no question of a shortage of supply. On the other hand, the estimates of the Government of India of gold available for coinage in that country are less than was anticipated, nor is any considerable increase expected, at any rate for some time. It seems certain that work could not be found to employ the proposed mint for more than a small part of the year, and its administration would in these circumstances be a matter of considerable difficulty; the staff would have to be maintained in idleness for a large part of the year at considerable cost to the Indian Exchequer.

The practical difficulties of providing for a gold coinage of so small an amount as that anticipated by the Indian Government are explained in the enclosed copy of Mr. Seymour's report of the 9th instant, with whose conclusions my Lords are in substantial agreement. They are not, however, disposed to favour his alternative proposal that the Imperial Branch Mint should undertake work other than the manufacture of Imperial coinages.

It is of course for Lord George Hamilton to decide whether, in spite of these objections, the scheme is to be proceeded with. If he decides in the affirmative, it will perhaps be well to inform the Government of India by telegraph that a modified sketch plan agreed upon by the Mint and your Department for the proposed mint is being forwarded by the next mail. My Lords understand that the modifications involve the shifting of the whole structure from the position originally proposed. It is, therefore, important that work should not be commenced in accordance with the plan sent from India.

Enclosure 1 in No. 51.

ROYAL MINT to TREASURY, dated 9th May 1901.

WITH reference to Sir E. Hamilton's letter of the 4th ultimo, and its enclosure, I have now to request that you will inform the Lords Commissioners of His Majesty's Treasury that Colonel Scott, R.E., Mint Master at Calcutta, called here on the 25th ultimo and 2nd instant, after having had at his disposal the correspondence which has passed on the subject of the coinage of sovereigns in India and the accommodation to be provided for the purpose.

The points to which I had taken exception in the plan sent from India were mainly the placing of the Mint buildings directly on the street, the curtailment of the limits of some of the rooms so as not to afford sufficient accommodation for possible extension, and the very narrow space provided between the south-west side of the proposed mint and boundary wall, alterations made in India without any explanation of the cause which rendered them necessary or desirable. Having explained to Colonel Scott the nature of the objections entertained, with which his intimate acquaintance of the locality enabled him readily to deal, and after he had examined and discussed with Mr. Rigg, the Superintendent of the Operative Department, the various dimensions which have been under consideration, the enclosed sketch plan was drawn up, and Colonel Scott and I have signed it as meeting the requirements of the case, and being in many respects a more satisfactory arrangement of the area to be occupied than plans already submitted. It will, I hope, meet with the approval of the Indian Government.

I should in ordinary course have brought this letter to a conclusion at this point, but I feel that I should not be carrying out my duty adequately, if I were not, even at this late stage, to raise again the question as to whether a branch mint for the coinage of sovereigns in India is really needed, and whether the expenditure on its erection and maintenance will prove to have been justifiable.

Their Lordships are aware that one of the points to which I have attached importance in considering the accommodation to be required for a gold mint is the possibility of expansion. Indeed, if expansion in the future is only a possibility, it seems to me difficult to justify the outlay proposed. In my conversation with Colonel Scott, he pointed out very forcibly that a coinage of 2,000,000*l.* could not, if proceeded with on the most leisurely lines, possibly occupy more than three months in its execution. The establishment of a separate mint and the appointment of supervising officers responsible to the Master of the Mint alone, without work for

nine months in the year, is not a practical proposal; and the alternative, which I suggested when the subject of a gold mint at Bombay first came up in 1899 for discussion, seems to me, therefore, worth further consideration, viz., whether the mint at Bombay as it stands should not become a branch of the Royal Mint, when provision might be made for the coinage of gold at a considerably less cost than under the scheme proposed. In this case all profits on coinage and refining would be paid into the Indian Exchequer. It is, moreover, to be remembered that the Indian Government in their despatch of the 5th October 1899, paragraph 7, considered that "it would be both inconvenient and expensive to establish the "branch in a separate building," and that they did not consider the objections to my suggestion to coin silver and copper coin in the branch mint "to be insuperable"; and they went on further to say that "they would be willing in the last resort to "transfer the whole of the Bombay Mint to the Imperial authorities." Some experience has now been gained in connection with the establishment of a gold standard in British India, and as to how far a gold mint in India is necessary for its effective maintenance. No doubt there has been in the last two years a considerable flow of gold coin from Australia, and this experience may have modified the views of those who originally advocated the establishment of a gold mint. Their Lordships are aware, also, that since this question of coining sovereigns in India came up for consideration, proposals have been made for the establishment of branches of the Royal Mint in Canada and in the Transvaal. It is for their Lordships' consideration how far the matter should be represented to the Indian Government as one deserving careful reconsideration, before coming to any final settlement on the lines of the sketch plan now submitted for a new building.

No. 52.

Telegram from SECRETARY OF STATE to VICEROY, dated 23rd May 1901.

BOMBAY Mint. Calcutta Mint Master has seen Seymour. New proposals have been made, a despatch on the subject will follow. Better suspend work on plans and estimates until it arrives.

No. 53.

INDIA OFFICE to TREASURY, dated 18th June 1901.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of Sir Edward Hamilton's letter of the 22nd of May, on the subject of the proposed establishment in India of a mint for the coinage of gold.

2. In his letter to the Treasury of the 9th of May, Mr. Horace Seymour proposed that the present mint at Bombay should become a branch of the Royal Mint, at which arrangements could be made for the coinage of gold, silver, and copper, under the supervision of a Deputy Master responsible to the Master of the Royal Mint. The Government of India have already, as Mr. Seymour points out, expressed their willingness to accept this scheme, if no better can be found; and, in view of the discussion which has taken place since August 1899, his Lordship is disposed to think it preferable to either of the other two alternatives, viz., the establishment of a separate mint for the coinage of gold, or the entire abandonment of the decision to provide for the coinage of gold in India.

3. It is generally admitted that all successful currency schemes are based on confidence; and that the currency policy recently established in India has, so far succeeded because the public have confidence in the determination of the Government to maintain it, and in the adequacy of their resources for that purpose. The establishment of a mint for the coinage of gold in India is the clearest outward sign that can be given of the consummation of the new currency system; and to abandon the proposal now must attract attention and provoke criticism and unrest. In view of these facts, and of the recommendation of the Currency Committee, which has received the approval both of His Majesty's Government and of the Government of India, his Lordship is not inclined to abandon the scheme at the stage which it has now reached.

4. I am therefore to request that, before Lord George Hamilton again communicates with the Government of India, he may be favoured with a statement of the objections apparently entertained by the Treasury to Mr. Seymour's proposal. It has been suggested to the Government of India by telegraph that work should be suspended on the plans and estimates referred to in the correspondence ending with the letter from this Office to the Treasury dated the 22nd of April.

No. 54.

TREASURY to INDIA OFFICE, dated 9th July 1901.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury your letter of 18th ultimo having further reference to the proposed coinage of gold at Bombay.

In reply they direct me to inform you that, while entirely concurring in the views of the Secretary of State for India in Council as to the importance of public confidence in the success of any system of currency, they are not inclined to anticipate that any distrust of the intentions of the Government of India to maintain the gold standard in that country would be caused if that Government should decide, owing to practical difficulties, to abandon one of the proposed methods of supplying such sovereigns as may be required for currency purposes. Indeed, my Lords are disposed to think that recent experience has shown that it is quite unnecessary to provide facilities for the coinage of gold in India, and they understand that it is the opinion of the Government of India themselves that the Indian public is likely to avail itself of such facilities, if provided, to only a very small extent. Indian currency needs are, in fact, provided for from other sources, and there is no real demand for the local coinage of sovereigns. My Lords cannot believe that the position of the gold standard in India will be strengthened, or public confidence in the intentions of the Government confirmed, by providing machinery for obtaining gold coins which is neither demanded nor required by the mercantile community; while, on the other hand, the failure or only partial success of a gold mint would undoubtedly be pointed to by the opponents of the gold standard policy (although without justification) as evidence of the breakdown of that policy. The large measure of confidence already established is sufficiently indicated by the course of exchange since the Committee's Report, and still more by the readiness with which gold has been shipped to India. This confidence is, in the opinion of this Board, much more likely to be put in jeopardy by such a result—of which the danger is by no means remote—than by the frank abandonment of one of the details of the policy recommended by the Indian Currency Committee, which experience has shown to be unnecessary.

If in spite of these considerations, Lord George Hamilton still thinks it advisable to proceed with the scheme, my Lords are of opinion that the plans agreed upon by the Deputy Master of the Mint and Colonel Scott should be adopted, and that a branch mint should be established at Bombay under the supervision of the Master of the Mint and of this Department for the coinage of gold only.

My Lords have never disguised from themselves the fact that the administration by them of an Indian establishment, the expenses of which are to be borne on Indian Revenues is an anomalous arrangement, likely in practice to give rise to inconvenience and possible friction. Their responsibility for the integrity of the British sovereign indeed precludes the manufacture of this coin in India except under such conditions. The alternative scheme proposed by Mr. Seymour contemplated the coinage by the branch mint of British dollars and subsidiary coins for the Eastern Colonies, and also rupees for the Government of India under similar conditions. But the imposition of this duty is both unnecessary and undesirable as regards coinages in which the Home Government is only indirectly interested. Nor does it seem to be a satisfactory arrangement for India that responsibility for the production of its own rupee coinage should be divided between its own mints and an Imperial Mint in Indian territory.

For these reasons my Lords demur to undertaking responsibility for any minting operations in India other than the coinage of the sovereign, and they do not regard Mr. Seymour's alternative scheme as a practicable solution of the difficulties which have arisen.

No. 55.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India to the GOVERNMENT OF INDIA, No. 139 (Financial), dated 26th July 1901.

IN continuation of my Despatch of the 26th April, No. 82, I forward a copy of further correspondence* on the subject of the proposed establishment at Bombay of a branch of the Royal Mint for the coinage of gold. I also forward a tracing of a plan of buildings for the purpose, which has been prepared by Mr. Horace Seymour, the Deputy Master of the Royal Mint, and Lieutenant-Colonel Scott, the Master of the Calcutta Mint.

2. I request that I may be furnished with a statement of your views on the important questions that have been discussed in the correspondence between this Office and the Treasury.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 56.

Letter from the GOVERNMENT OF INDIA to the SECRETARY OF STATE No. 385 (Finance and Commerce), dated 25th December 1902.

WE have the honour to refer to the correspondence ending with your Lordship's Despatch No. 130 (Financial), dated 26th July 1901, on the subject of the proposed establishment at Bombay of a branch of the Royal Mint for the coinage of gold. After perusal of the documents forwarded with that Despatch, which set forth the criticisms of the Royal Mint and the objections of the Lords Commissioners of His Majesty's Treasury to the scheme, we carefully re-considered the question in all its bearings, and decided to make further enquiries into the present method of disposal of the gold produced in India, since the retention of this gold in the country was one of the main objects with which the proposal to undertake the coinage of gold in Bombay was originally put forward.

2. These enquiries delayed our reply to Your Lordship, and further delay was caused by the absence on leave of the Hon. Sir Edward Law. We have now ascertained that the chief mining companies have made arrangements, with which they are at present satisfied, for the regular sale of their gold in London; and we are doubtful whether any terms that we could offer, with a due regard to our own interests, would induce them, at an early date, to alter those arrangements and to bring their gold to the mint in Bombay. In the absence therefore of an assurance that a steady and permanent supply of gold of local production would be available for coinage in this country, we prefer to drop the scheme for the present, leaving its revival to the existence or revival of conditions which cannot at present be foreseen.

We have, &c.
(Signed) T. RALEIGH.
E. FG. LAW.
E. R. ELLES.
DENZIL IBBETSON.

* From Lieutenant-Colonel Scott, dated 3rd May 1901. To ditto, dated 6th May 1901. To the Treasury, dated 6th May 1901. From ditto, dated 22nd May 1901 (with enclosure). To ditto, dated 18th June 1901. From ditto, dated 9th July 1901. Nos. 48 to 51, 53 and 54 of present series

No. 57.

Despatch from the Right Hon. LORD GEORGE HAMILTON, Secretary of State for India, to the GOVERNMENT OF INDIA, No. 25 (Financial), dated 6th February 1903.

HAVING considered in Council your financial letter of the 25th December 1902, No. 385, I am willing that the proposal to establish at Bombay a branch of the Royal Mint for the coinage of gold should not be further proceeded with for the present.

I have, &c.
(Signed) GEORGE HAMILTON.

No. 58.

SECRETARY OF STATE to VICEROY, dated 16th May 1912.

(Telegraphic.)

YOUR telegram of 13th instant.* Coinage of gold. Have you ascertained, and are you forwarding, the views of Local Governments, Chambers of Commerce, and Presidency Banks regarding your proposals?

No. 59.

Letter from GOVERNMENT OF INDIA to SECRETARY OF STATE FOR INDIA, No. 110, (Finance), dated 16th May 1912.

WE have the honour to lay before your Lordship a proposal to open a gold mint in Bombay for the coinage of sovereigns.

2. Before setting forth the reasons which have led us, after much anxious consideration, to make our present recommendation, it would be as well to summarise briefly the more recent phases which the particular question of coining gold at the Indian mints has undergone.

3. It is, we think, an indisputable fact that the establishment of a gold currency was regarded as the logical and natural sequence of the closing of the mints to silver, and as the necessary accompaniment of the establishment of a gold standard. The report of Lord Herschell's Currency Committee of 1893† spoke of "familiarising the public with the use of a gold currency," and in a subsidiary note Lords Farrer and Welby added their view that the reforms then recommended would not be complete until gold was made full legal tender, which consummation, they contemplated, might be effected either by the free coinage of gold in India, or by the free reception by the Indian Government of English and Australian sovereigns. Lord Lansdowne's Government were, in fact, in favour of coining sovereigns in India almost simultaneously with the closing of the silver mints, and in their despatch of 15th August 1893 they put forward definite proposals for the coining of sovereigns at the Indian mints with the letter I under the Queen's effigy. Lord Kimberley, however, in his Despatch dated the 12th October 1893, pointed out that, if the gold coin of India was to be the sovereign, it would be necessary to obtain an Act of Parliament declaring the coins issued from the Indian mints to be legal tender within the United Kingdom, and he anticipated considerable opposition to the passing of such a measure until some evidence had been given of India's ability to accumulate a reserve of gold.

4. The Indian Currency Committee of 1898, better known as the Fowler Committee, regarded the throwing open of the Indian mints to the unrestricted

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* This was a telegraphic summary in advance of the contents of the G. of I's. Letter of 16 May 1912 No. 110 (No. 59 in this series).

† Paragraph 152.

coinage of gold as a prominent feature of the currency policy recomended by them. In paragraph 54 of their report they said:—

"We are in favour of making the British sovereign a legal tender and a current coin in India. We also consider that, at the same time, the Indian mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint. The result would be that, under identical conditions, the sovereign would be coined and would circulate both at home and in India. Looking forward as we do to the effective establishment in India of a gold standard and currency based on the principles of the free in-flow and out-flow of gold, we recommend these measures for adoption."

5. This recommendation was accepted without qualification by your Lordship's predecessor, Lord George Hamilton, who, in his Despatch No. 140, dated the 25th July 1899, requested the Government of India to make preparations for the coinage of gold. A lengthy correspondence then ensued, of which the following is a brief summary:—The Government of India put forward definite proposals for establishing in the Bombay Mint a branch of the Royal Mint for the coinage of sovereigns. A proclamation to effect this object was drafted, and received the approval of the Lords Commissioners of the Treasury. Meanwhile, difficulties had arisen regarding a number of administrative details connected with the establishment of the proposed branch mint. These difficulties occasioned much correspondence between the Secretary of State, the Treasury, and the Government of India, and the latter expressed their willingness throughout to carry out the requirements of the authorities of the Royal Mint. In May 1901 the Mint authorities expressed themselves as satisfied, but the Lords Commissioners of the Treasury, for the reasons given in their letters, No. 8239, dated 22nd May 1901 and No. 10,489, dated 9th July 1901, copies of which were forwarded with Lord George Hamilton's Despatch, No. 130, dated the 26th July 1901, invited the Secretary of State to reconsider the whole question. They admitted that the original decision to coin sovereigns in India was a wise one, as indicative of the determination of the Government of India to adhere to a gold standard and of their intention to take practical measures to establish it. They pointed out, however, that subsequent experience had shown that the gold standard was already firmly established in the public confidence, that sovereigns were being readily attracted to India whenever required, and that there was no reason for believing that the position of the gold standard in India would be strengthened, or public confidence in the intentions of the Government of India confirmed, by the mere provision of machinery for the manufacture of gold coins in the country. They further pointed out the practical difficulties in the way of the establishment of a branch of the Royal Mint in India, an arrangement which they described as anomalous, and likely in practice to give rise to inconvenience and possible friction.

6. Upon receipt of the views of the Lords Commissioners, the Government of India decided, for the time being, not to persevere with the proposals. In their Despatch of 25th December 1902 they refrained from expressing any agreement or disagreement with the reasons advanced by the Treasury. But they had ascertained that the chief Indian Mining Companies had made arrangements for the regular sale of their gold outside the country, and that they were unlikely to alter those arrangements at an early date. In the absence of an assurance that a steady supply of Indian gold would be available for minting, Lord Curzon's Government preferred to drop the scheme, at the same time expressing their willingness to revive it should conditions change.

7. No public explanation was given in India of this sudden recession from what had hitherto been regarded as an essential feature of the currency policy inaugurated in 1893 and definitely established on the recommendations of the Currency Committee of 1898. Spasmodic suggestions have since been put forward from time to time for various developments in our gold currency, but it was not until last year, when a resolution was moved in the Imperial Legislative Council by Sir Vithaldas Thackersey, that the Government of India were formally invited to revive the proposals which had so nearly reached fruition a decade previously, and to embark on the coinage of gold. The discussion thus started has been vigorously taken up by the press and by commercial interests both in India and England, and the whole subject has been thoroughly ventilated in a manner which makes any special reference to mercantile bodies in this country unnecessary.

8. We consider, therefore, that the time has come for the revival of the scheme which was accepted by Lord George Hamilton and was only dropped as we have shown upon subsidiary considerations. It is true that there has been no subsequent change in the position as regards the output of the Indian gold mines. It is also true that sovereigns are readily imported from Egypt, Australia, and England, whenever the balance of trade is strongly in India's favour. But, in other respects, the position is now greatly different from that of 1902. Our currency system went through its first serious trial in 1907–08, and, although the crisis was safely tided over, the lesson was brought home to us that we must vigilantly aim at strengthening our gold position. In the second place, the past ten years have been marked by a change in the complexion of Indian affairs, which is little less than revolutionary. The very habits of the people at large have been affected, and nowhere is this change more striking than in matters relating to currency. In previous discussions a doubt has frequently been expressed whether the sovereign would ever be popular in this country, but the conservative spirit, which it was thought would be opposed to the introduction of a new coin, has in recent years, been greatly weakened. There can be no question that gold is now being taken with increasing freedom in payment for agricultural produce. So much is obvious from statistics, and there are strong indications also that gold is replacing silver in the hoards of the people. In the case of the sovereign then, the antipathy to change which has commonly been attributed to the Indian people has weakened perceptibly, and the same inference is to be drawn from the striking expansion in our note circulation which has followed the removal of circle restrictions and which demonstrates both the desire of the people for a handier form of currency than silver, and their readiness to work with a higher unit than the rupee. It is in this change of the popular attitude to currency matters, that we find the chief justification for reconsidering our future course.

9. There is, moreover, particular reason why we should undertake this reconsideration now. Since 1902 there has been a very large net addition to the Indian currency, in silver, gold and paper taken together. In 1908 there was a check in the absorption of the silver portion of that addition; but this has now passed away, and, although it is too early yet to form any definite estimates, it seems probable that we are now on the eve of a demand for further expansion, in the form of a fresh coinage of silver. Every increase to our silver currency adds to the weight of our responsibility for maintaining the gold value of the rupee, and any method which by encouraging an increase in the effective circulation of gold will lighten that responsibility has the strongest claim on our consideration.

10. We submit, therefore, that the time is opportune for examining afresh the question of coining gold in India. Before, however, reviewing, in the light of present conditions, the arguments for and against the specific proposal put forward by the Government of India in 1899, we think it very necessary, in view of certain misapprehensions which have been current from time to time—particularly since the discussion of the subject was revived a year ago—to state definitely what that proposal was, and what it was not.

11. It has been represented that the scheme would entail vast borrowings by the Government of India for the purchase of gold, which would be coined and forced upon the people. Gold coins would be substituted for rupees on a colossal scale and forced into circulation. The value of silver would drop many points and, it is said, a panic would seize the people, who would sell their silver ornaments and silver hoards at any sacrifice. At the same time Government would be spending, on the purchase of gold and in interest upon its coinage loans, huge sums which it ought to devote to education, sanitation, railways and irrigation. Taxation would be increased. Gold coins would disappear as soon as they issued. Our exchange position would not be a whit the stronger, and at the end the whole country would be greatly impoverished.

12. Consequences of this kind, however, have no relation to the proposal of the Government of India. The proposal was, and is merely to open one of the Indian mints (preferably that at Bombay) to the free coinage of sovereigns, the authorities of the Royal Mint being given such control over the operations as His Majesty's Government may consider to be necessary. To the mint would be attached a gold refinery, enabling us to deal with ornaments and alloyed gold in any form and also to receive raw gold from the Indian mines should that at any time be offered to us. The mint itself would be, at any rate at first, on a small scale. We

propose that it should be open to any one who brings gold bullion for manufacture into sovereigns, and that the bullion or assay should be paid for at the same rates as by the Royal Mint in London, no seignorage being charged for the coining. Sovereigns would not be issued except in payment for bullion so tendered, while worn and uncurrent sovereigns, wherever manufactured, would be withdrawn and re-coined in accordance with regulations similar to those in force in the United Kingdom.

13. That is our proposal, and we need hardly point out that it involves neither the raising of a loan, nor the purchase of an ounce of gold, nor the coining of a single sovereign except from bullion that is voluntarily brought to the mint for the purpose. It does not involve the forcing of gold into circulation or the withdrawal of silver from circulation, or the disturbance of the ordinary course of our recognised and established currency procedure.

14. Neither, in proposing to open a gold mint is it our intention to induce thereby an increased flow of gold to India. Indeed were that our purpose we recognise that it would certainly fail. The gold which we receive in India comes to us in settlement of our credits abroad. Its amount can be increased only by an increase in the volume of India's exports, or by a decrease in the volume of India's imports other than gold and the currents of trade are not affected by the establishment of a mint. The people may, and we believe they will, use the sovereign more extensively as a medium of exchange; but the aggregate inflow of gold will, so far as we can see, remain unaffected.

15. We trust that we have now made clear to your Lordship the nature and scope of our proposal. We have now to consider what we imagine to be the chief objections which may be advanced against it. It may be urged that the scheme would be ineffective, or that it is unnecessary, or that it would be extravagant, if not actually harmful.

16. In support of the view that the opening of a gold mint and the extension of gold circulation would be ineffective for the purpose of supporting exchange or of lightening our responsibility for maintaining the convertibility of our present token coinage, it may be argued that in a crisis gold coins would not be available for export. There is always a tendency at present, it is said, for the sovereign to go to a premium, and this tendency becomes very marked when exchange is weak. The argument, however, is not conclusive: it has force under present conditions, but it is not true universally. We look forward in fact to a state of affairs in which the sovereign will become a familiar enough feature in the Indian currency to command no premium in ordinary circumstances, and we cannot admit that when the proportion of gold to the total currency is substantial it will not be available for steadying the exchange value of the rupee.

17. The second line of objection to a gold coinage is that gold already enters India freely, that there is no internal demand for sovereigns which the ordinary import channels do not satisfy, and that, so long as the Indian public can obtain as many sovereigns as they need, it is immaterial to them where the coins happen to have been minted. In support of this view is adduced the very large accumulation of sovereigns which has grown up in our Currency Reserve during the last 18 months of busy trade. The supply from the sources indicated continues, however, only so long as the export trade is brisk. It ceases the moment there is a slackening in the outward current of trade, and as the experience of 1908–9 most plainly shows, we are liable at any time to be left without the means of replenishing the active circulation.

18. It may also be argued that a gold coinage for India is unnecessary, because there is no essential connection between a gold standard and a gold currency. This assertion is one the complete application of which under Indian conditions may be questioned and that for two reasons. In the first place, metallic currency in this country forms a large proportion of the internal media of exchange. Secondly, the ebb and flow of currency requirements fluctuates greatly in India with its essential dependence on agriculture, and its liability to extreme vicissitudes of seasons. A glance at Indian currency statistics is sufficient to establish this proposition. After the famine of 1907–8 the return of superfluous currency to Government was extremely heavy, and practically the whole of the return was in rupees. The difficulties that arise in such a situation—and we have suggested that

they may, on another occasion, be much accentuated—are sufficiently obvious. These difficulties would disappear if for a substantial portion of our present and token coinage we could substitute a currency having intrinsic value and acceptable therefore in international trade, and we are driven to the conclusion that our only possible policy is to base our standard on two sure foundations, adding gradually to the reserve of gold in England an effective gold currency in this country.

19. Lastly we have to consider those objections to a gold currency which are based on the assertion that the coinage of gold in India would be wasteful or expensive. It would be wasteful, it is alleged, because our new sovereigns would be either melted or swallowed up in hoards as soon as they were issued. It would be expensive because we should have to bear all the cost of maintaining the purity of the coinage, as well as of the original minting.

20. These two arguments might, we think, be taken as mutually destructive. If the new sovereigns are to be melted as soon as they leave the mint, we cannot be at much expense in maintaining them. But we do not anticipate that either argument will be regarded as a serious impediment to our proposal. That the melting and hoarding of sovereigns will continue to be common practices in India is undeniable, just as the rupee was melted and hoarded in large quantities when the Indian mints were open to the free coinage of silver. But we cannot imagine that they will all be melted, or even the major part of them, for it is hardly likely that bullion will be brought to the mint if it is to be reconverted immediately. We do not think that there can be any reasonable doubt that some proportion of the new sovereigns would be retained, possibly at first a small proportion, but a proportion which will steadily grow, and as it grows, familiarity with the sovereign will increase, and its place in the active currency of the country will extend. Again every sovereign which goes into hoards, and releases fifteen rupees, is *pro tanto* a diminution in our responsibility for maintaining the parity of the rupee.

21. The objection that the sovereign would be an expensive coin is one that carries little weight. The actual minting of the sovereign, is we believe, comparatively simple and cheap, and the cost of making the necessary additions to the present equipment of the Bombay Mint would be inconsiderable. We understand that refining is also a simple matter, now that the electrolytic process has been perfected. It may be urged that the Government will become responsible for the purity of the coinage, and will have to bear all the cost of wear and tear, up to the legal tolerance. We think that the popular notion of this responsibility is greatly exaggerated. It already rests upon us in regard to the sovereigns which enter India in great quantities on the balance of trade, many of which are worn. If, instead of those worn coins, we are able to manufacture good coins from bullion which has been imported in the place of sovereigns, our responsibilities will be actually lightened. It is of course impossible at present to say what the loss will be on new coins minted in India. But we anticipate that the abrasion in India, owing to the different habits of the people, will be materially less than it is in England. When the late Lord Goschen undertook to rehabilitate the British coinage in 1891, he put aside only 600,000*l.* for the purpose. We understand that the greater part of this sum was expended in the re-coinage of half-sovereigns, with which we shall not be concerned; the remainder was all that was necessary to restore the sovereign coinage of the previous fifty years. If this may be regarded as an analogy—and we know of no other—the cost of the work to us, provided it is kept up to date, would be a very small fraction of the annual interest upon our profits from the coinage of silver.

22. In this review of the criticisms directed against our proposal, we have already brought to notice many of the arguments which favour it, but in conclusion it is, no doubt, desirable to develop briefly the affirmative side of the discussion. We may say at once that we do not claim that the coinage of gold in India will be a panacea for all our currency ills. Indeed we do not imagine that its influence will be greatly felt at first; but such a measure will mark a step along the path which has been authoritatively accepted as the line on which our currency policy must develop, and in time it will be of great assistance in maintaining the stability of our currency system.

23. This policy, we venture to think, will be materially assisted by the change in the habits of the people which we have already mentioned. In particular the

awakening interest in banking which is perceptible in many parts of the country, the growth of the co-operative movement, and the increase of commercial openings for local capital, give promise that the hoarding habit will decline. As gold ornaments and bullion come out of hoards some portion of them, at least, will find their way to the mint—if there is a mint open to receive them—and in this way it will be possible to add to the stock of sovereigns in the country. Even if the process be regarded as little more than hall-marking the people's gold for them, it will accustom the people to the idea that their savings are as easily converted into gold coin as into rupees or currency notes, and will help to dissipate the notion that the sovereign is a thing apart from everyday business. But we consider that the process will be more than mere hall-marking, and that it will not be confined to the ornaments now concealed in the people's hoards. We believe that much of the "high-touch" bar gold, which in favourable years enters India to settle the balance of trade, will be brought to the mint for conversion into the handier form of sovereigns. The present position indeed appears to us anomalous. Gold coin is readily converted into bullion, but there are no facilities for reversing the process. It cannot be expected that bullion in the country should be sent home to be coined and brought back in the form of sovereigns, and the current consequently sets all in one direction. Were a gold mint established in the country the position would be entirely changed. We have said that we cannot expect gold to come back to us in times of dull trade and dull exchange. But when trade is brisk and exchange high, there may be a stronger demand for gold in the shape of coin than as bullion, and it should, then, in place of importing sovereigns, be found more profitable to use the bullion already in the country by passing it through the mint. There may be occasions also when the Exchange Banks may find it to their advantage to import bullion for the purpose of coinage rather than sovereigns. In a matter of this kind no one can be dogmatic, but in any case there is at present an artificial barrier opposed to the free conversion, when required by circumstances, of bullion into coin, and it is one of the objects of our proposal that this barrier should be removed. A free movement being then established between coin and bullion in both directions, we cannot doubt that the effect would be to swell the volume of sovereigns in the hands of the people and increase their active circulation.

Of the advantages of such an increase in the circulation we have already spoken. It diminishes the pressure on the Government of India for the coinage of silver It keeps down the heavy responsibility that rests on them for the convertibility of the rupee, and thus simplifies the problems of exchange.

24. The coin, which we ask permission to manufacture, is the British sovereign. On previous occasions, the relative advantages of the sovereign and of an Indian coin have been discussed at length, but the main argument in favour of a special coin has always been that the sovereign could never be popular, and this argument has now lost practically all its force. On the other hand, the disadvantages attached to gold pieces which would be exclusively Indian are obvious. For use in international exchanges it would be some time before they could establish a definite and unquestioned position, whereas the sovereign has already an immediate and universal currency. For the present, therefore, we hold that the gold coin to be minted in India ought to be the sovereign, which is the most powerful coin in the world and has been happily described by a distinguished Indian publicist as "the cement of the Empire."

25. Our proposal for a gold coinage has behind it the overwhelming support of Indian public opinion, the leaders of which are ready and anxious to extend the everyday use of the common coin of the Empire, and are unable to understand why India should be denied the same minting facilities as have been given to Australia and Canada. The time also, as we have said, is opportune. We trust, therefore, that your Lordship will accept our proposal in principle, and that on the submission of the necessary plans and estimates, you will be able to convince their Lordships of the Treasury, and the authorities of the Royal Mint, of our readiness both to accept all necessary technical requirements and to grant all reasonable facilities for inspecting and testing the work of minting and refining. We need hardly say that we are determined to take all possible measures to ensure that the British sovereign coined in India should in no way be inferior to that coined elsewhere. We do not submit any proposals for coining half-sovereigns, experience having shown.

that this coin is not popular in India. Further, any present step to promote its circulation might conflict with the future possibility, should it be considered advisable, of introducing some other small coin, such as a ten-rupee piece, which would be more in accord with Indian sentiment.

We have, &c.

(Signed) HARDINGE OF PENSHURST.
„ O'M. CREAGH.
„ G. FLEETWOOD WILSON.
„ R. W. CARLYLE.
„ HARCOURT BUTLER.
„ S. A. IMAM.
„ W. H. CLARK.
„ R. H. CRADDOCK.

No. 60.

VICEROY to SECRETARY OF STATE FOR INDIA, dated 18th May 1912.

(Telegraphic.)

GOLD coinage. Your telegram dated 16th May.* As stated in our Despatch, we have not obtained opinions of bodies you have mentioned. Matter has been twice subject of debate in Imperial Legislative Council, and during past year has been discussed vigorously in press, and by commercial interests in India and England, therefore do not think it necessary to collect further opinions.

No. 61.

INDIA OFFICE to TREASURY, dated 27th June 1912.

I AM directed to invite attention to the correspondence which passed between His Majesty's Treasury, this Office, and the Royal Mint, in 1899–1901, on the subject of the proposed establishment of a branch of the Royal Mint for the coinage of gold at Bombay.

The proposal was dropped for the time being in 1902 for various reasons, among which were the expense involved in the maintenance of a separate establishment at Bombay solely for the coinage of sovereigns, and the objections raised by the Treasury to a more economical arrangement by which that staff might be utilised for the coinage of silver or copper coins as well as gold.

The Government of India now desire to reopen the question. While recognising that sovereigns flow freely into India in the adjustment of trade balances, and that the establishment of a local mint for the coinage of gold can have no effect in increasing this inflow, they believe that such a measure would have a beneficial effect in popularising the sovereign, and in stimulating the gradual but at present slow process by which it is passing into active circulation. They think also that the opening of a local mint for the coinage of sovereigns would be likely to attract bullion now hoarded in the country, the amount of which there is reason to believe is very large, and that some part of the bullion which is annually imported would go to the mint for coinage. It may be added that the coinage of gold in India has been strongly advocated in the Viceroy's Legislative Council, and the Government of India represent that it is very vigorously supported by Indian public opinion.

The definite proposal of the Government of India is to open the Bombay Mint to the free coinage of sovereigns, under such control of its operations by the Royal Mint as His Majesty's Government may consider to be necessary. They propose to attach to the mint a gold refinery, so as to deal with ornaments and alloyed gold in any form and to receive raw gold from the Indian mines. The portion of the mint used for the coinage of sovereigns would be, at any rate at first, on a small scale. It

* No. 58 of present series.

is believed that the cost of making the necessary additions to the present equipment of the Bombay Mint would be inconsiderable.

With a view to the establishment of a branch of the Royal Mint at Bombay at a cost not incommensurate with a moderate out-turn of sovereigns, I am to enquire whether the Lords Commissioners of the Treasury would be willing to agree to the maintenance of a staff at Bombay, subject to the control of the Royal Mint in respect of all purposes connected with the coinage of sovereigns, but at the disposal of the Government of India for the purposes of such duties as are now carried on under the orders of that Government.

If, as is hoped, the Treasury accepts this proposal in principle, and indicates what information is required for the preparation of a detailed scheme for carrying it into effect, the information will be obtained from the Government of India and submitted to the Treasury as soon as possible.

No. 62.

TREASURY to INDIA OFFICE, dated 8th August 1912.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Abrahams' letter of the 27th June last (F. 2649), on the subject of the proposed establishment in India of a local mint for the coinage of British sovereigns, and I am desired to request you to lay the following reply before the Secretary of State for India in Council.

In view of the correspondence which passed in 1899–1901 my Lords do not propose to discuss the general reasons for and against the proposal for establishing a mint for the coinage of sovereigns in India, and (subject to proper safeguards) are prepared to co-operate in giving effect to the proposal which the Government of India have decided to put forward for reasons of which they are the judges.

The first and most important point on which a decision is needed is, therefore, the question of the control to be exercised by the Royal Mint over the coinage of sovereigns in India. The proposal which the Marquess of Crewe puts forward is that a branch of the Royal Mint should be established at Bombay, in connection with the existing mint, and that that part of the staff which is engaged on gold coinage should be subject to the control of the Royal Mint in respect of all purposes connected with such gold coinage, but should be at the disposal of the Government of India for the purposes of such other duties as are now carried on under the orders of that Government.

My Lords regret that they are quite unable to agree to any scheme involving divided control. In their opinion it is essential that the control should be undivided whether the staff be engaged upon gold or upon other coinage work; and, as is admitted in the letter under reply, the control over the gold coining staff must necessarily be that of the Royal Mint.

This being so, the only alternatives open to discussion appear to My Lords to be those mentioned in the penultimate paragraph of the letter* from this Department of the 9th July 1901 (No. 10,489/01). Either (i) a branch mint must be established at Bombay or elsewhere solely for the coinage of gold under the supervision of the Master of the Mint and of this Department, as in the case of the three branch mints in Australia—a scheme which, if their Lordships' anticipations as to the volume of work to be done are correct, involves the maintenance at the expense of the Indian Government throughout the year of a building and a highly-paid staff for work which will not occupy more than (say) one-third or one-fourth of the year. Or, alternatively, (ii) the control of the whole of the existing mint at Bombay must be taken over by the Government of this country, and the precedent of the Ottawa Branch Mint adopted, under which His Majesty's Government undertake, at the expense of the Local Government, the responsibility for an establishment producing, not only British gold coins, but also, and in overwhelmingly greater proportions, local subsidiary coins which are not legal tender outside the country where the branch mint is situate.

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* No. 54.

In 1901 my Lords were not prepared to regard this alternative as a practical solution of the problem, but since that date they have had the experience of the establishment and satisfactory working of the Ottawa Mint on these lines, and, if the Government of India is prepared to fall in with the arrangement, my Lords are now disposed to think that it is the best and indeed the only practical method of securing the necessary control by the Royal Mint and at the same time providing the mint to be established in India with sufficient work to occupy it throughout the year.

Should the Marquess of Crewe be able to agree in principle to this scheme, my Lords would suggest that the next step should be the despatch to Bombay of an experienced official from the Royal Mint in London to consider on the spot, in consultation with the officials of the Bombay Mint, what alterations and additions would be needed for the purpose of gold coinage.

No. 63.

Despatch from the Most Hon. the MARQUESS OF CREWE to the GOVERNMENT OF INDIA, No. 139 (Financial) dated 18th October 1912.

IN your letter of the 16th of May, No. 110, you submitted proposals for the coinage of sovereigns at Bombay. The chief result that you anticipate from this measure is that it would attract to the Mint bullion now held in India, which, since the issue of your Notification No. 6908*, dated 11th December 1906, has not been received there. You hold the opinion, which seems clearly correct, that it would not be likely to increase the importation of gold into India.

2. The conclusion that I reached after considering your letter was that, having regard first to the ease with which holders of gold bullion in India can, as a rule, exchange it for currency, whether sovereigns, notes, or rupees, if they wish to do so, and secondly, to the probability that the gold imported into India is so imported because it is preferred in that form rather than in that of coin, the adoption of your proposal would not be likely to have any considerable effect of the kind that you anticipate, but that the experiment is worth trying if it can be done at a moderate expense, or on a self-supporting basis. It was necessary for me to communicate with the Treasury on the subject, since, under the English and Indian Coinage Acts, sovereigns are not legal tender in India or England unless coined at a branch Mint established under a proclamation issued by His Majesty with the advice of the Privy Council. I accordingly placed before the Treasury proposals intended to enable the proposed measure to be carried out economically.

3. From the enclosed correspondence† you will see that the Lords Commissioners of the Treasury are unable to accept my proposal. They offer two alternatives, (1) that a branch Mint be established at Bombay solely for coinage of gold under the supervision of the Royal Mint and His Majesty's Treasury; (2) that the control of the whole of the existing Mint at Bombay be taken over by His Majesty's Government, who would accept at the expense of India the responsibility for an establishment producing not only British gold coins, but also coins for circulation in India, that is silver and nickel.

4. The former alternative would involve the maintenance at Indian expense of a separate building and highly paid staff for work which might occupy only a small part of the year. The second would involve the placing under control of the Treasury of some part at any rate of your silver coinage operations as well as the coinage of sovereigns. I doubt whether either alternative will commend itself to Your Excellency's Government.

5. If both are dismissed it will remain to consider whether it is desirable to produce at one of the Indian Mints a separate Indian gold coin of the denomination of, say, Rs. 10; this course would be inexpensive and would avoid the intervention of the British authorities in your general coinage operations. There is also some reason

* For this and connected Notifications, *see* Appendix, page 66. † Nos. 61 and 62 of the present series.

to expect that a gold coin of the denomination suggested would satisfy such currency requirements as are not met by the present facilities for obtaining sovereigns, rupees and notes. I am prepared, if you so desire, to sanction the issue of such a coin, subject to the settlement of such details as the design, the charge for seignorage, and the expenditure to be incurred on buildings, plant and additional staff.

I have, &c.
(Signed) CREWE.

APPENDIX.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 3,517, dated 23rd November 1864.

The Governor-General of India in Council, considering it expedient that the circulation of British and Australian sovereigns in all parts of British India and its dependencies should be encouraged and facilitated, is pleased hereby to direct that, from and after the publication of this notification, sovereigns and half-sovereigns coined at any authorised Royal Mint in England or Australia of current weight,* shall, until further notice, be received in all the treasuries of British India and its dependencies, in payment of sums due to the Government as the equivalent of ten and five rupees respectively, and that such sovereigns and half-sovereigns shall, whenever available at any Government Treasury, be paid at the same rates to any person willing to receive them in payment of claims against the Government.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 3,287, dated 28th October 1868.

In modification of the Notification by the Government of India, No. 3517 of the 23rd November 1864, the Governor-General of India in Council is pleased to direct that, from and after the publication of this notification, sovereigns and half-sovereigns coined at any authorised Royal Mint in England or Australia of current weight shall be received in all the treasuries of British India and its dependencies in payment of sums due to the Government, as the equivalent of ten rupees and four annas, and five rupees and two annas respectively, and that such sovereigns shall, whenever available at any Government Treasury, be paid at the same rates to any person willing to receive them in payment of claims against the Government. The gold pieces stated in Section XIII. of Act XVII. of 1835 will also henceforth be received as above according to the values stated in that Act.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 2,662 (FINANCE AND COMMERCE), dated 26th June 1893.

The Governor-General in Council hereby announces that, until further orders, gold coins and gold bullion will be received by the mint masters of the Calcutta and Bombay Mints respectively in exchange for Government rupees, at the rate of 7·53344 grains troy of fine gold for one rupee, on the following conditions:—

(1) Such coin or bullion must be fit for coinage.
(2) The quantity tendered at one time must not be less than 50 tolas.
(3) A charge of one-fourth per mille will be made on all gold coin or bullion which is melted or cut so as to render the same fit for receipt into the mint.
(4) The mint master, on receipt of gold coin or bullion into the mint, shall grant to the proprietor a receipt which shall entitle him to a certificate from the mint and assay masters for the amount of rupees to be given in exchange for such coin or bullion payable at the General (Reserve) Treasury, Calcutta or Bombay. Such certificates shall be payable at the General Treasury after such lapse of time from the issue thereof as the Comptroller-General may fix from time to time.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 2,663 (FINANCE AND COMMERCE), dated 26th June 1893.

In supersession of the notification by the Government of India in the Financial Department, No. 3,287, dated the 28th October 1868, which is hereby cancelled, the Governor-General in Council is pleased to direct that, from and after the date of this notification, sovereigns and half-sovereigns of current weight coined at any authorised Royal Mint in England or Australia shall be received in all the treasuries of British India and its dependencies, in payment of sums due to the Government, as the equivalent of fifteen rupees and of seven rupees and eight annas respectively.

* The standard weight of the sovereign is grains 123·274 and it ceases to be current when, from wearage or other causes, it falls in weight below grains 122·5.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 2,664 (FINANCE AND COMMERCE), dated 26th June 1893.

In exercise of the powers conferred by the Indian Paper Currency Act, 1882, as amended by the Indian Coinage and Paper Currency Act, 1893, and of all other powers enabling him in this behalf, the Governor-General in Council is pleased to direct that currency notes shall be issued by the Head Commissioner of Paper Currency, Calcutta, and by the Commissioner of Paper Currency, Bombay, on the requisition of the Comptroller-General, in exchange for gold coin or gold bullion, at the rate of one Government rupee for 7·53344 grains troy of fine gold. Sovereigns and half-sovereigns of current weight coined at any authorised Royal Mint in England or Australia shall be taken as the equivalent of fifteen rupees and of seven rupees and eight annas respectively.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 4,071 (FINANCE AND COMMERCE), dated 11th September 1897.

In continuation of the Notifications No. 2,662, No. 2,663, and No. 2,664, dated June 26th, 1893, the Governor-General in Council hereby notifies for public information that from and after the date of this notification, sovereigns and half-sovereigns of current weight coined at any authorised Royal Mint in England or Australia will be received at the Reserve Treasuries at Calcutta, Madras, and Bombay, and rupees will be issued in exchange therefor, the sovereign and half-sovereign being taken as the equivalent of fifteen rupees and of seven rupees eight annas respectively.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 3,218A (ACCOUNTS AND FINANCE), dated 14th July 1899.

No. 3,218A.—In modification of Notification No. 2,662, dated the 26th June 1893, the Governor-General in Council is pleased to remove, as regards gold produced at the Indian mines and tendered at the Bombay Mint by the agents of the mining companies, the restriction that it shall be fit for coinage, and to direct that it shall be received at the Mint in the condition in which it has hitherto been shipped for export.

NOTIFICATION OF THE GOVERNMENT OF INDIA, No. 6,908A, dated 11th December 1906.

Receipt by the Mints of Calcutta and Bombay of Sovereigns and Half-Sovereigns only.

In supersession of the notifications by the Government of India in the Financial Department, No. 2,662, dated the 26th June 1893, and No. 3218A, dated the 14th July 1899, which are hereby cancelled, the Governor-General in Council is pleased to direct that, with effect from 1st April 1907, gold bullion and gold coins, other than sovereigns and half-sovereigns, will not be received by the Mint Masters of the Calcutta and the Bombay Mints.

EAST INDIA (INDIA OFFICE BALANCES).

MEMORANDUM

ON

INDIA OFFICE BALANCES

(PREPARED UNDER THE INSTRUCTIONS OF THE SECRETARY OF STATE FOR INDIA).

Presented to both Houses of Parliament by Command of His Majesty.

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EAST INDIA (INDIA OFFICE BALANCES).

MEMORANDUM

ON

INDIA OFFICE BALANCES

(PREPARED UNDER THE INSTRUCTIONS OF THE SECRETARY OF STATE FOR INDIA).

I.—*India Office Balances part of the general balance of the Government of India.*

This memorandum is written in order to give information about the India Office balances, and especially their amount from 1906-07 onwards. It is important to mention at the outset that these balances are part of the general balance of the Government of India, and are liable (as explained in succeeding sections) to be affected to a very considerable extent by variations in its amount.

The general balance, in India and England, was of the following amount at the end of each year from 1905-06 to 1911-12 :—

	£	
1905-06	19,931,097	
1906-07	15,633,744	
1907-08	17,458,679	
1908-09	18,219,381	
1909-10	25,074,522	(including a receipt of £6,370,000 from a loan raised towards the end of the year in anticipation of capital requirements in 1910-11).
	£	
1910-11	30,263,912	
1911-12	30,669,702	

The high level of the general balance at the end of each of the last three years was due to various causes of which the most important (except, as explained above, in 1909-10) was the large excess of revenue over expenditure. Excluding adjustments between the Government of India and Provincial Governments (which, though they affect the surplus of the Government of India, do not affect the total balance held by them), the excess of revenue over expenditure in each year from 1905-06 to 1911-12 (in India and England combined), compares as follows with the Budget Estimate :—

——	Budget Estimate of Excess (+) or Deficit (−)	Actual Excess (+) or Deficit (−).	Increase (+) or Decrease (−).
	£	£	£
1905-06	− 466,500	+ 2,115,848	+ 2,582,348
1906-07	− 203,500	+ 1,901,617	+ 2,105,117
1907-08	+ 331,400	− 715,140	− 1,046,540
1908-09	+ 46,400	− 4,405,053	− 4,451,453
1909-10	+ 30,400	+ 1,500,677	+ 1,470,277
1910-11	− 246,200	+ 5,897,489	+ 6,143,689
1911-12	− 896,800	+ 4,909,418	+ 5,806,218

The causes of the increases and decreases shown in these figures have been explained in the annual Financial Statements of the Government of India, the annual Explanatory Memorandum presented to Parliament by the Secretary of State or Under Secretary of State, and the speeches made in the House of Commons in the annual debates on the Indian Accounts and Estimates. Of the aggregate improvement of £13,420,184 in the years 1909-10 to 1911-12, £5,737,687 has occurred under Opium and £2,771,088 under Railways. The fact that so large a portion of

the surpluses has been derived from Opium, the exports of which are being steadily diminished while its price is very uncertain, has prevented the reduction of taxation which would, no doubt, have occurred in 1911-12 or 1912-13 if revenue from so unstable a source had not formed an important part of the total receipts.

II.—Sources from which Balances are derived.

The money held in the India Office balances is supplied almost entirely from two sources, viz., the proceeds of the sale of Council bills and telegraphic transfers on India, and the proceeds of loans issued in London for the purpose of providing a portion of the money required for capital expenditure on railways.

The bills and telegraphic transfers on India are sold by tenders which are received weekly at the Bank of England; they are bought by bankers and merchants who pay the sterling price to the Secretary of State's account at the Bank of England. The rupees in respect of which they are sold are paid out by the Government of India in India. The bills and transfers serve a double purpose. They enable the Secretary of State to receive in London money required for meeting his disbursements, and bankers and merchants to remit to India the money required for settling the balance of trade.

III.—Preparation of India Office Budget.

The estimate of the total receipts required for each year is framed so as to provide that, as far as can be foreseen when the estimate is prepared, the Secretary of State in Council shall have at the end of the year, after meeting his disbursements on revenue and capital account, the sum required as a safe working balance together with any sum that it may be desirable to keep in hand for meeting exceptional disbursements in the following year that can be foreseen or for the possibility of which it is prudent to make provision. The amount of the closing balance for which it is ordinarily desirable to provide is discussed in Section V. below; and in later paragraphs it is shown that in certain recent years there have been good reasons for providing for a somewhat higher figure.

In estimating the portions of the total sums required for each year that will be derived respectively from bills and transfers and from the issue of loans, the practice is, and has long been, (1) to enter under the former head the full amount that the Government of India expect to be able to provide from their general balances for meeting the drawings of the Secretary of State; (2) to estimate for loans sufficient to supply the rest of the amount required. The effect of this is to keep the net addition to debt to the lowest figure which appears, when the Budget is prepared, to be practicable. The new loans actually issued are sometimes less, and the floating debt paid off is sometimes higher, than the Budget estimate, the practice being to avoid increases of debt when the disbursements of the year can without imprudent disregard of future liabilities be met from other sources, *e.g.*, from the addition that accrues to general balances when the year is a very favourable one and revenue is unexpectedly large. But the details given in Section VII. below show that it is difficult to make on this account large changes in the programme of loans for any year, because the issue of loans must usually take place, if at all, early in the financial year, or before its commencement (since the first half of the calendar year is notoriously the most favourable season for issues), whereas improvements in revenue, if they come, nearly always come late in the financial year when a good monsoon has been assured and its effects have had time to make themselves felt.

IV.—Sales of Council Bills and Telegraphic Transfers.

In times of active trade, it has been the practice for many years to sell bills and telegraphic transfers freely, whether in excess of the Budget estimate or not, subject to the condition of not selling so freely as to prevent the importation into India of such amounts of gold as the public appears likely to be able to absorb. This well-known practice was mentioned in the Financial Statement of the Government of India of March, 1906 (paragraph 52), when the amount required to meet the Home Charges was given and the Financial Member added: "additional bills will, as usual, be sold if needed to meet the demands of trade." In another portion of the same Statement (paragraph 77) he remarked: "the policy of Government "has been to sell Council drafts freely so as to supply the trade demand to the fullest "extent up to the limit of our capacity to meet them." The Financial Member's remark may be illustrated by the facts of 1903-04, 1904-05, and 1905-06, in which

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years the sales of bills and telegraphic transfers compared as follows with the Budget Estimates of the requirements of the Secretary of State :—

——	Budget.	Actuals.	Excess.
	£	£	£
1903-04	17,000,000	23,859,303	6,859,303
1904-05	16,500,000	24,425,558	7,925,558
1905-06	17,833,300	32,166,973	14,333,673

The reasons for selling in excess of the Secretary of State's immediate requirements are as follows :—

(*a.*) The sales are of great convenience to Indian trade in the busy season as enabling large amounts of money to be placed at its disposal very rapidly. For example, in 16 days in January-February, 1912, telegraphic transfers were sold for £3,500,000, and the corresponding amount was liberated in rupees from the Treasuries of the Government of India and passed into mercantile hands. The absence of such facilities would undoubtedly be very prejudicial to Indian trade in times of pressure. There has accordingly been in force since January, 1904, an undertaking that bills will be sold without limit of amount at 1*s.* 4$\frac{1}{8}$*d.* the rupee.

(*b.*) The alternative method of trade remittance open to bankers and merchants is to send sovereigns to India. Experience shows that sovereigns so sent do not ordinarily pass into circulation direct, but are tendered to the Government to be exchanged for rupees or notes; and on various occasions in the past it has been found that the Government holding of sovereigns has been so high and their holding of rupees so low that sovereigns shipped to India by the public and tendered there have had to be shipped to London by, and at the cost of, Government to buy silver for the coinage of additional rupees. The comparatively free sale of bills and telegraphic transfers has the effect of preventing this wasteful procedure (*cf.* paragraph 77 of the Financial Statement of the Government of India of March, 1906 :—" Since the closing of the mints and the establishment of the " Gold Standard, the only means of obtaining currency that was open " to trade, apart from the purchase of Council drafts and transfers, " was to bring out gold to India. When, as is now the case, a " sufficient stock of gold has been accumulated in the Currency Reserve " to make the standard effective, and so long as gold is not to any " large extent in active circulation, this method is wasteful; for it " involves the eventual reshipment of the imports of that metal to " Europe for the purchase of silver for coinage. To avoid this result " the policy of Government has been to sell Council drafts freely " . . . . . *ut supra*)."

(*c.*) It is desirable to have in hand at the end of each year a certain sum to be used as a reserve against the possibilities that the receipts in the coming year from remittances and loans may fall short of what is expected, or that unexpected charges may have to be met in London. It is always quite uncertain during the first half of the year whether the sales of bills and telegraphic transfers during the year will fall short of or exceed the estimated amount. When the monsoon is unfavourable, as it may become so late as September, the sales are liable to fall much below the estimate. Thus in the twenty years from 1892-93 to 1911-12 the sales fell short of the estimate in eight years and exceeded it in twelve. It is also uncertain throughout each year what part of the bills sold in the year the Government of India will be able to meet from their Treasury balances, in which case the proceeds are available for the general purposes of the Secretary of State, and what part will have to be met from silver purchased for the purpose, or from the Paper Currency Reserve or from the Gold Standard Reserve, in which cases the proceeds are not so available.

The uncertainty whether it will be practicable to issue the loans estimated for in the Budget of any year is notorious.

(*d.*) The balances held in London earn interest, the receipts on this account in the twenty years from 1892-93 to 1911-12 having been £2,193,879. In India the only interest earned on the balances is on special loans occasionally granted to Presidency banks at the discretion of the Government of India, by way of addition to the large amounts ordinarily deposited with them. It is not the practice of the Government of India to lend to other institutions and firms in India. Whether larger loans to the Presidency banks or loans to other bodies and firms are desirable and practicable is a question on which it is well not to dogmatise. But it should be noted that on 18th September, 1911, Sir G. Fleetwood Wilson was asked at a meeting of the Governor-General's Council "whether Government will lend to the money "markets in India against the deposit of securities of approved "character when their Treasury balances are high," and replied, "The "Government of India leave considerable sums out of their Indian "cash balances on deposit with the Presidency banks. They do not consider it advisable to make a practice of lending to the money "markets in India in any other manner or to any larger extent." It should also be noted that there are two special difficulties in the way of lending money to Indian firms from the Government balances—(1) The loans would probably be secured in most cases on rupee paper; and if, through the default of borrowers, large quantities had to be sold in any year, the annual Government loan in India, which is effected by the issue of rupee paper, might be injured; (2) In the comparatively small and sensitive Indian money markets, the rapid calling in of large loans to meet an emergency might be difficult and dangerous.

It will be shown later that the great variations in the amount available from Council bills for general purposes (of which a large part is liable to occur in the latter part of the year, when most of the capital transactions of the year have already been carried out) are the chief cause of the large balances that have been held at various times from 1910.

The figures in the Appendix illustrate the range of variation from 1902-03 to 1911-12. It will be seen that the annual amounts available for general purposes from 1902-03 to 1911-12 varied from £12,424,002 in 1908-09 to £25,070,217 in 1911-12, and that the amounts so available in the second half of each year (from October to March) varied from £7,118,306 in 1907-08 to £14,383,666 in 1911-12.

V.—Estimate of Closing Balance to be provided for in the Annual Budget.

During the first thirteen weeks of each of the financial years 1910-11, 1911-12, and 1912-13, the disbursements of the India Office were as follows :—

——	1910–11.	1911–12.	1912–13.
	£	£	£
For discharge of debt	155,000	1,734,000	3,559,100
For other purposes	5,207,000	5,404,950	7,105,762

These figures suggest that the annual Budget estimates should be drawn up so as to provide that, apart from exceptional requirements in the following year (such as the large sums occasionally needed for the discharge of bonds and India bills, as mentioned below in the details relating to 1910-11, 1911-12, and 1912-13), each year should end, and its successor begin, with a balance of about £4,000,000. But if a Budget is drawn up to provide for this amount, and there are unfavourable circumstances during the year, such as (to mention circumstances which are of frequent occurrence) a failure to sell the full estimated amount of Council Bills or to issue one of the loans contemplated, the result may be that the year closes, and its successor opens, with a balance so small that, soon after the commencement of the succeeding year, the Secretary of State is compelled to issue a loan at a bad time in order to provide funds for immediate necessities. There are thus considerable advantages in estimating for a closing balance, apart from provision for known exceptional requirements, somewhat higher than £4,000,000.

VI.—Budget Estimates of Closing Balances from 1906-07 *to* 1912-13.

The closing balances from 1906-07, as estimated in the Budgets, have been as follows :—

	£
1906-07	5,218,981
1907-08	3,437,119
1908-09	3,759,012
1909-10	3,328,689
1910-11	5,265,915
1911-12	8,738,218
1912-13	6,721,849

The following remarks explain the figures where explanation appears to be needed :—

1906-07. When the Budget for this year was prepared, it was intended to give notice to the Madras and Southern Mahratta Railway Company of the intention to terminate their contract on 30th June, 1907, so that one more favourable to Indian revenues might be substituted for it. A revised contract in the sense desired was in due course made, but it was necessary to allow for the possibility that an agreement would not be reached, in which event it would have been necessary to repay early in 1907-08 the Company's capital of £3,500,000. In view of this contingency it was desirable to close 1906-07 and begin 1907-08 with a balance somewhat above the normal.

1907-08, 1908-09, and 1909-10. The figures for these years do not appear to call for explanation.

1910-11. It was desirable to have in hand at the end of the year money to be used towards repaying the £2,276,200 of temporary debt which was to be discharged in 1911-12.

1911-12. The reason for estimating for so high a balance as £8,738,200 on 31st March, 1912, was as follows :—

At the end of the year 1911-12 there was expected to be in existence temporary debt as follows :—

	£	
India bills	4,500,000	
India bonds	3,500,000	(repayable at the rate of £500,000 annually.)
Debenture bonds for which the liability had been transferred to the Secretary of State in Council on the termination of contracts with certain Railway Companies	3,166,300	
Total	£11,166,300	

It had been decided that certain exceptional revenue receipts in 1910-11, amounting to approximately £2,000,000, should be used towards the discharge of this debt; and that the portion of the debt of which the discharge was most urgently required, apart from the India bonds, was the railway debenture bonds, since it was absolutely necessary to discharge these bonds at maturity, whereas India bills could be replaced annually until funds were available for discharging them without replacement. The amount of the India and debenture bonds falling due in 1912-13 was £1,977,600, and in 1913-14, £1,781,200. It was decided to keep in hand the exceptional receipts just mentioned, in order that they might be available towards the discharge of these bonds as they fell due. Other considerations which affected the estimate of the closing balance on 31 March, 1912, are referred to below, under Section VII.

1912-13. The chief reason for estimating for so high a balance as £6,721,849 on 31st March, 1913, was that it was desirable to have in hand means for discharging the £1,781,200 bonds maturing in 1913-14. Other reasons are referred to under Section VII.

VII.—Divergence between Budget Estimates of Closing Balances and Actuals.

It is now necessary to turn to the causes which led to the actual balances at the end of certain years being so much higher than the amount estimated in the Budget and required by the Secretary of State.

The actual closing balances from 1906-07 onwards have been as follows :—

	£
1906-07	5,606,812
1907-08	4,607,266
1908-09	7,983,898
1909-10	12,779,094
1910-11	16,696,990
1911-12	18,390,013

1906-07.

The actual closing balance was £5,606,812, an excess of £387,831 over the Budget Estimate of £5,218,981. This difference, though comparatively unimportant, was due to a number of important changes which largely counteracted one another :—The receipts from Council bills and telegraphic transfers were £15,357,196 beyond the estimate, the capital outlay on stores for Railways and Irrigation works was less by £1,951,200, and the net expenditure chargeable to revenue was less by £397,357. On the other hand, the payments for silver were greater by £11,620,929; £2,775,000 was transferred to the Paper Currency Reserve (a transaction not contemplated in the Budget); and the capital receipts from Railway Companies were £3,046,716 below the Budget Estimate.

1907-08.

The closing balance was £4,607,266 or £1,170,147 more than the Budget Estimate. As the financial prospects at the end of the year were gloomy, owing to famine, the closing balance was obviously not more than it was prudent to hold.

1908-09.

The closing balance was £4,224,886 more than the Budget Estimate, or £7,983,898 in all. This amount included a receipt of £4,475,000 out of a loan of £7,500,000 which was estimated to be required for the Railway programme of 1909-10 and was issued in February, 1909, because the market was then favourable. Excluding this amount, which was in effect a receipt on account of 1909-10, though received shortly before the end of 1908-09, the closing balance was £3,508,898.

1909-10.

The closing balance was £12,779,091 or an excess of £9,450,402 over the Budget Estimate. Of this £6,370,000 represents receipts from a loan of £7,500,000 estimated to be required for the Railway programme of 1910-11, which was issued in January, 1910, because the market seemed favourable. Deducting this amount, which, like the £4,475,000 mentioned in connection with 1908-09, was in effect a receipt in advance on account of the subsequent year, the closing balance of 1909-10 was £6,409,091. This excess over the figure (£3,328,689) estimated in the Budget was due mainly to the following causes, viz.:—

Excess of bills and telegraphic transfers actually sold (£17,850,586) over Budget Estimate (£16,200,000)	1,650,586
Decrease in the amount withdrawn by Railway Companies for expenditure on Stores, &c.	952,500
	£2,603,086

The reasons for not restricting the sale of Council Bills have been given above.

If it had been possible to foresee in January, 1910, when the loan was issued, that the receipts from Council bills would exceed the Budget Estimate, and that the withdrawals by Railway Companies would fall below it, the loan would no doubt have been reduced. But the estimate of Council bills and telegraphic transfers formed in December, 1909, in consultation with the Government of India, on the material then available, was £16,000,000, and the estimates, for which Railway Companies are responsible, of their withdrawals for stores were given by them in December, 1909, at £4,794,400, the final figures being only £3,596,900.

1910-11.

The closing balance was £16,696,990, or £11,431,075 more than the Budget Estimate.

The most important differences between the Budget Estimate and the Actuals were as follows:—

	£
Increase of receipts and reduction of disbursements:—	
Excess of actual sales of bills and telegraphic transfers over Budget Estimate	8,138,000
Reduction of withdrawals by Railway Companies for expenditure on stores	1,044,300
Net decrease of miscellaneous disbursements	1,106,700
Money raised by loan in 1910-11 towards providing for capital requirements of 1911-12	2,210,000
Increase of disbursements:—	
Discharge of India bills without replacement	1,000,000

The excess sales of Council bills and telepraphic transfers were rendered possible by large increases over the Budget Estimate of the resources at the disposal of the Government of India: the most important being an increase of £5,694,900 in the excess of revenue receipts over expenditure chargeable to revenue in India and a diminution of £2,767,700 in the capital outlay in India. If it had been known at a sufficiently early period of the year that the sales of Council bills and telegraphic transfers would so largely exceed the Budget Estimate, and that the other changes shown above under the head of "increase of receipts and reduction of disburse-"ments" would occur, and if the requirements of 1910-11 had alone been considered, it would have been possible to reduce the amount borrowed or to increase the amount of India bills discharged.

As a matter of fact the estimate of receipts from bills and telegraphic transfers taken in the Budget at £15,500,000 was raised, in consultation with the Government of India, to £18,000,000 on 7th December, 1910, £19,500,000 on 19th December, 1910, £23,000,000 on 27th January, 1911, and £23,500,000 on 19th February, 1911. The actual amount was £23,638,000. Similarly the probability of a reduction in the various disbursements of the India Office only became clear as the Estimates of the year were revised in November, 1910, and February and March, 1911. These facts had an important bearing on the course actually followed in the issue and discharge of loans. In the following statement the loan transactions of the year are given and are compared with the Budget Estimate:—

Money used for discharge of debt:—	Budget Estimate. £	Actual. £
Discharge of debenture bonds for which liability had been transferred to Secretary of State in Council on termination of contracts with Railway Companies	817,900	817,900
India bills discharged without replacement ... (£6,000,000 matured and £5,000,000 replaced.)	—	1,000,000
Total	£817,900	£1,817,900

Money raised by loan:—	Budget Estimate. £	Actual. £
Balance of India 3½ per cent. stock for £7,500,000 issued in January, 1910*	589,600	764,820
Issue of debenture stock by Railway Companies	2,597,500	2,294,278
To be raised for repayment of capital of Indian Midland Railway Company in 1910-11 ...	2,250,000	—
Raised for repayment of capital (£2,250,000) of Indian Midland Railway Company in 1910-11, and discharge of debenture bonds of this and other companies in 1911-12 (£1,750,000)	—	4,000,000
Instalment on account of India 3½ per cent. stock issued in March, 1911, to provide for capital expenditure to be incurred in 1911-12	—	460,000
Total	£5,437,100	£7,519,098

* The amount paid up in 1909–10 was less than was expected when the Budget was prepared.

The following remarks explain in detail, except where explanation is obviously unnecessary, why the transactions summarised in the foregoing table were carried out.

(*a.*) *India Bills.*—The replacement of India bills took place as follows:—

	£
April, 1910	1,000,000
June, 1910	2,500,000
December, 1910 (advertisement issued 18th November, 1910)	1,500,000 (£1,000,000 discharged without replacement).

In April and June it was estimated on the basis of information received from the Government of India that the receipts from bills and telegraphic transfers would be £15,500,000, or less by £8,138,300 than the amount actually received, and there was no reason to anticipate the reduction that actually occurred in expenditure on capital and revenue account. There was thus no ground for expecting that the Budget Estimate of the closing balance would be exceeded.

In November, when it was necessary to decide whether the bills maturing 1st December should be replaced, it was clear that the Budget Estimate of Treasury receipts from Council bills and telegraphic transfers would be exceeded. But—

(1) It could not be foreseen how large the increase would be because, as shown above, the increase was estimated by the Government of India, a month later, at £4,138,000 less than actually occurred:

(2) The probable variations from the Budget estimate of miscellaneous receipts and disbursements could be only imperfectly foreseen:

(3) It was known that it would be necessary to discharge at least £2,276,200 of bonds in 1911-12 and £1,977,600 in 1912-13, besides large amounts in subsequent years. It was very desirable to avoid the risk of having to meet these obligations, as they matured, from the capital funds that would otherwise be available for the construction of railways and irrigation works; and it was, therefore, thought expedient that such funds as were available from balances for the discharge of temporary debt should be to a great extent reserved for the discharge of bonds, and that, until some progress had been made in this direction, the discharge of India bills should proceed slowly.

The amount of India bills to be discharged in December, 1910, without replacement was, therefore, fixed in November at £1,000,000.

(*b.*) *Issue of Debenture Stock by Railway Companies.*—The one issue made was of £2,500,000 debenture stock of the Great Indian Peninsula Railway Company. It was made in June, when there was no reason to anticipate that the Budget estimate of receipts would be exceeded.

(*c.*) *Issue of India Bonds.*—The issue of £4,000,000 bonds in October was made, as stated above, for two purposes:—

(1) To provide funds for repaying to the Indian Midland Railway Company on 31st December, 1910, their share capital of £2,250,000. The raising of the necessary money by loan had been included in the Budget, and was one of the transactions contributing to the estimated closing balance of £5,265,900.

(2) To provide towards the discharge in 1911-12 of debenture bonds of this and other companies which the Secretary of State was bound to pay off as they matured. It was not thought probable that these exceptional requirements could be met, otherwise than from borrowed funds, without reducing at a subsequent time the India Office balance below the amount desirable as a working balance in view of its large liabilities. It would not, in October, have been prudent to count on the large increase which actually occurred in Treasury receipts from the sales of bills and telegraphic transfers.

(*d.*) *Issue of India Stock in March, 1911.*—When the loan of £3,500,000 was issued the Budget arrangements for 1911-12 were practically complete. It was estimated that £2,276,200 bonds and £500,000 India bills would be discharged, and that if the receipts from bills and telegraphic transfers amounted to £15,825,000 (the estimate adopted after consultation with the Government of India), the India Office balance would be reduced during 1911-12 by £7,317,300, and would, at the end of the year, amount to £8,738,218. The reasons for regarding this as a suitable amount are stated under 1911-12.

1911-12.

The Budget estimated for Capital receipts as follows :—

	£
Balance of receipts on account of issue of £3,500,000 India Stock made in March, 1911	3,137,500
Loan to be issued through a Railway Company	1,357,000

It also estimated for the discharge of £2,276,200 bonds and debentures, the discharge of £500,000 India bills without replacement, and the replacement of £4,500,000 India bills; and for receipts of £15,825,000 from the sale of Council bills and telegraphic transfers, this figure being based on information received from the Government of India. It was anticipated that on this basis the closing balance on 31st March, 1912, would be £8,738,218. The reasons for regarding this as a not excessive estimate were as follows :—

(1) It was desirable to have in hand at the end of 1911-12 money for the discharge of £1,977,600 bonds and debentures maturing during 1912-13, so as to avoid the risk of having to curtail the Railway and Irrigation Programme for that year owing to the necessity of meeting this large extra liability.

(2) It was necessary to have regard to the possibility that some of the estimated receipts contributing to the estimated closing balance of £8,738,218 at the end of 1911-12 might fail to be realised. This actually occurred, since owing to the depressed state of the investment market in 1911, a loan of £1,500,000 that was to have been issued by a railway company had to be abandoned. And, during part of 1911-12, as mentioned by Sir G. Fleetwood Wilson in his speech introducing the Financial Statement of 1912-13, " the half of India was on the verge " of a drought for which we might have had to go back thirty-four " years for a parallel . . . It was a striking lesson of how narrow " is the line in India between plenty and want, and how incessant is " the need for caution in our forecasts."

(3) It was contemplated that any money available in excess of the estimates would be used for the discharge of India bills whenever there was a clear prospect that this could be done with safety.

The actual closing balance was £18,390,013, or £9,651,795 in excess of the estimate, the increase being mainly due to an excess of £9,245,216 in the sales of bills and telegraphic transfers, and to the withdrawals by Railway Companies for capital expenditure falling short of the estimate by £905,300. The increased sales of Council bills and telegraphic transfers were rendered possible mainly through the following additions to the resources at the disposal of the Government of India :— Increase in excess of revenue receipts over expenditure chargeable to revenue in India, £5,566,064; increase under Deposits, Advances, Savings Bank balances, &c., £1,966,500; increased net receipts on account of remittance transactions in India, £811,800. If there had been any indication of an increase of receipts and a diminution of expenditure of the amount stated, when the time came for replacing the £4,500,000 India bills during the year, those bills could have been discharged without replacement. The reasons why this was not done are as follows :—

£1,000,000 bills maturing in April, 1911, were replaced and £2,000,000 out of £2,500,000 maturing in June were replaced, the remaining £500,000 being finally discharged. This was in accordance with the Budget programme. At this period of the financial year it would have been imprudent to count on an improvement in the general position as compared with the Budget estimate, a point which is sufficiently illustrated by the fact that during part of the summer there was, as shown in the extract quoted above from Sir G. Fleetwood Wilson's speech, serious risk of a widespread drought, a calamity which would have thrown out the whole financial arrangements of the year.

£1,500,000 bills were replaced on 1st December, 1911. The question of discharging these without replacement was considered in November when the decision had to be taken. The position was that, as far as could be seen, an increase of revenue of rather more than £2,000,000 was probable, but on the other hand " Durbar boons," not provided for in the Budget and estimated to cost about £600,000, had just been sanctioned. Famine conditions, the chief cause of uncertainty in Indian Finance, prevailed in parts of Bombay, where the number of persons on relief on 25th November, 1911, was 31,346, and was growing every week. It had also been

necessary to abandon the proposed issue of a loan by a Railway Company, since the investment market was depressed by rumours of international complications. It was, therefore, thought desirable to replace the bills maturing in December, thus postponing their final discharge.

Owing to the remarkable improvement in Indian revenues in the latter part of the year, this postponement proved to be unnecessary, but the improvement did not come in time to influence the decision.

As will be mentioned below, the India bills replaced in 1911-12 are to be discharged without replacement in 1912-13.

1912-13.

On the assumptions that the receipts from bills and telegraphic transfers would be £15,500,000 (the figure fixed in consultation with the Government of India), that £3,000,000 India stock would be issued, that £1,812,100 would be raised through a Railway Company, and that £4,500,000 India bills and £1,977,600 bonds would be discharged, the Budget estimated that the closing balance would be £6,721,800. This figure was considered suitable for the following reasons :—

(1) It was necessary to allow for the possibility that part of the estimated capital receipts of 1912-13 would not be realised. This is now extremely probable. Of the £1,812,100 estimated to be raised through a Railway Company, there has been received up-to-date only £500,000 : the total receipts under this head will almost certainly be very much below the estimate.

(2) It was also necessary to allow for the possibility that the rains might fail in India in 1912, and that the sale of bills and telegraphic transfers would be reduced in consequence.

(3) It was desirable to have in hand on 31st March, 1913, funds to be used for or towards the discharge of the £1,781,200 bonds maturing in 1913-14, since otherwise it might be necessary to use for their discharge part of the proceeds of a loan issued in 1913-14, thus diminishing *pro tanto* the amount that would be available for capital expenditure in that year on railways and irrigation works.

(4) It was also desirable to have in hand, if possible, some money to be used towards the Railway and Irrigation Programme of 1913-14 in the event of the issue of loans for the programme being restricted on account of continued depression in the investment market.

Since the Budget was prepared many changes have taken place. Revenue has exceeded expectations, and sales of bills and telegraphic transfers will be considerably above the estimate. On the other hand the amount to be raised by loan will be below the estimate; large payments have been made for silver; the programme of capital expenditure has been increased; and it will also be necessary to make transfers in England to the Gold Standard Reserve. The amount of the closing balance can therefore not be closely estimated at present; but there is no reason to anticipate that it will exceed the estimate by amounts at all comparable to the increases that occurred in 1910-11 and 1911-12.

VIII.—Summary of India Office transactions in 1910-11, 1911-12, *and* 1912-13.

It will be seen from the facts detailed above that the history of the India Office balances in the three years 1910-11, 1911-12, and 1912-13, during which they have been exceptionally high, has been as follows :—

In preparing the Budgets the object has been to make such arrangements as would secure that the India Office balance, at the end of each year, should consist, first, of an ordinary working balance of an amount adequate but not excessive, having regard to the uncertainty whether the chief items in the estimated receipts would be actually realised, and secondly, of a provision towards discharging during the coming year at least that portion of the temporary debt of which the discharge was obligatory. In each of the two years 1910-11 and 1911-12, there occurred a very considerable increase (mainly due to enhanced Revenue receipts) over the Budget estimate of the total cash assets of the Government of India, of which the India Office balance forms part; and the demand for trade remittance, met by the Secretary of State in the way that has long been customary, has caused a large part of the total increase to be held in London. The amount so held has been utilised as far as possible to reduce the loans issued and to discharge temporary debt. But in 1910-11 and 1911-12

a large part of the increase in receipts occurred late in the year. If it had occurred earlier, the effect would have been that the Secretary of State would have been enabled to alter somewhat the time of discharge of temporary debt. The total amount discharged in the three years would not have been greater, since by 31st March, 1913, all the temporary debt maturing by that date will have been paid off; but the final instalment of India bills would have been paid off in June, 1912, instead of in December. The cautious policy that has been followed has lessened, though it could not entirely remove, the liability of India to have to make issues of loans in London at unfavourable times for meeting her capital commitments, and will enable her to finish the three years free from a great part of the load of temporary debt and other obligations that she had to bear in the early part of the period. As far as can be foreseen, the balance at the India Office on 31st March, 1913, will be about half of what it was at the corresponding date in 1912; while there is no present probability that on 31st March, 1914, it will exceed the amount required as a safe working balance.

The way in which the large remittances from India for general purposes have been used can best be shown by the following figures :—

	£
A.	
The greater part of the capital expenditure in England and India on Railways and Irrigation Works would normally be met from loans raised in England. The expenditure in 1910-11 and 1911-12, and the estimated expenditure in 1912-13 amount to	30,155,100
Towards meeting this expenditure the capital receipts in England from the issue of India stock in the three years (including the amount received for 1910-11 from the loan of January, 1910), and from capital raised by Railway Companies have been	15,988,120
B.	
The discharge of floating debt in 1910-11, 1911-12, and 1912-13 is as follows :—	
Discharge of India bills	6,000,000
Discharge of India bonds	1,000,000
Discharge of debentures for which liability had fallen on the Secretary of State on the termination of contracts with Railway Companies ...	4,071,700
Repayment of capital of Indian Midland Railway Company	2,250,000
Total	£13,321,700
Less India bonds issued	4,000,000
Net amount discharged or repaid ...	£9,321,700

IX.—Utilisation of India Office Balances.

It now remains to explain why the balance held at any given time is put out at interest and the procedure that is followed.

A considerable part of the disbursements in each year consists of very large payments which are made within very short periods. This is illustrated by the following figures showing the total payments in certain periods in 1911-12:—

1st to 5th April, 1911, £3,624,304 (including £2,084,897 for annuities and interest, and £1,333,333 for Paper Currency Reserve investment); 1st to 5th July, 1911, £3,815,710 (including £2,694,367 for annuities and interest, £487,757 for Gold Standard Reserve investment, and £301,800 for discharge of debt); 1st to 5th October, £2,462,000 (including £2,114,605 for annuities and interest); 1st to 5th January, 1912, £3,100,857 (including £2,685,769 for annuities and interest, and £75,000 for discharge of debt).

There are also other large payments, such as those for railway stores, which have to be made at very short notice, but at dates that cannot be exactly foreseen, since they depend on the punctuality or otherwise of contractors.

The money from which these payments are made is not received just at the moment at which it is needed. The greater part of it is derived from the sales of Council bills and telegraphic transfers which, though in unfavourable years they are liable to cease for considerable periods, take place as a rule every week. Sometimes, but in many years not more than once in the year, large sums are received in a short time as the proceeds of a loan or loans.

It is thus necessary, as a rule, in preparation for the periods of heavy payments, to accumulate the weekly receipts so as to have them in hand or at call for use when the money is required.

The whole of the working balance thus required might be allowed to remain at the credit of the Secretary of State at the Bank of England, in which case the revenues of India would receive no interest on it; but the practice followed since 1838 has been to keep a certain part of the balance at the Bank and to lend the remainder at interest.

The usual method is to lend to certain banks, discount houses, and stockbrokers of high standing, whose names are included in an approved list, now containing 62 names. The list is revised periodically and applications for admission are carefully considered with reference to the standing and resources of the applicants and the nature of their business. Loans to borrowers on the approved list are granted as a rule for periods from three to five weeks, occasionally for six weeks, so that the whole balance could, if needed, be called in within six weeks.

The Accountant-General informs the Secretary of State's broker daily of the amount of loans that may be renewed, the amount of new loans that may be placed, or the amount that must be called. He also furnishes the dates for the maturity of the renewals and new loans, so that money may be available to meet requirements. The broker is responsible for obtaining the best possible rate of interest. The amount of a loan is not paid out from the Secretary of State's account at the Bank of England until the security has been lodged at the Bank. The securities which the broker is authorised to accept are as follows:—Exchequer bills and bonds, Treasury bills, Parliamentary stocks and annuities of the United Kingdom, securities on which the interest is guaranteed by Parliament; India stock, debentures, bonds, and bills; Rupee paper; Guaranteed debenture scrip (fully paid) or bonds of Indian railway companies; London County stock and bills; Metropolitan consolidated stock, Corporation of London debentures, Metropolitan Water Board bills and "B" stock. The particulars of each loan transaction are submitted each week to the Finance Committee for approval, and each month to the Auditor of the Accounts of the Secretary of State in Council.

In 1909 it was found that the borrowers on the approved list could not take the full amount of the balances available for loan; and, in order to obtain employment for the funds, the broker was instructed, as a temporary measure, to deposit the excess amount from time to time with leading London banks, usually for periods of between one and three months. The procedure adopted was as follows:—The Accountant-General informed the Secretary of State's broker of the amounts available and the periods for which he desired to employ them. After consultation with the Chairman of the Finance Committee the broker negotiated with the various banks so as to obtain the best possible rates of interest, which were governed by the rates current in the discount market. He then reported to the Accountant-General, and the particulars of all deposits were submitted to the Finance Committee and the Auditor. In November, 1911, it was decided that, so long as it should be found necessary to continue the practice of depositing with banks, the amount on deposit at any one bank should be limited as a general rule to £1,000,000, and the number of banks at which deposits were made was increased to seven. The balance has now been so much reduced that it is no longer necessary to deposit with banks.

The rates obtainable on the India Office balances necessarily depend on those current in the London Money Market for short loans and deposits; and these are sometimes higher and sometimes lower than those at which permanent loans, bonds, or bills for a year can be issued. In 1909-10, 1910-11, and 1911-12 the rates paid by the India Office on issues of India stock, bonds, and bills have varied between £3 12*s*. 11*d*. and £2 3*s*. 11*d*. per cent. During 1911-12 the average rate of interest received by the India Office on loans to approved borrowers was 2·60 per cent. and on deposits 2·43 per cent. Information to this effect was given in the Viceroy's

Legislative Council on 22nd March, 1912, and the difference between the rates received and paid respectively attracted the notice of Colonel Yate, M.P., Mr. Stewart, M.P., and Mr. Thorne, M.P., the latter of whom asked (6th November, 1912) "whether there is any truth in the statement that the India Office is in the habit of lending money at 2½ per cent. and borrowing it back at 3½ per cent." The explanation is, of course, that the India Office borrows only when it appears necessary to do so in order to meet capital expenditure or (very exceptionally) to make good, temporarily, a deficit due to famine or other causes of a similar exceptional nature, and pays the rate of interest necessitated by market conditions on the loans, mostly in the form of permanent stock, which it issues, whereas it lends for short periods to prevent its balance from lying idle and gets on such loans the best rate that is at the time possible in the condition of the money market, having regard to the fact that the security required is of a very high class and that loans are granted only to firms of very high standing. The alternative to lending for short periods at rates which are sometimes below those paid on the stocks and other securities that it is necessary to issue would be to discontinue entirely or occasionally the practice of lending, which brought in to Indian revenues £2,193,879 in the last 20 years.

APPENDIX.

Receipts from Bills and Transfers in each year from 1902–3 to 1911–12 inclusive, showing separately the amounts available for General Purposes, used for the Purchase of Silver, and appropriated to the Gold Standard Reserve and the Paper Currency Reserve.

	1902-3.			1903-4.			1904-5.			1905-6.				1906-7.		1907-8.			1908-9.			1909-10.			1910-11.			1911-12.	
	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	Paper Currency Reserve.	For General Purposes.	For Purchase of Silver.	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	For General Purposes.	For Purchase of Silver.	Gold Standard Reserve.	For General Purposes.	Gold Standard Reserve.	Paper Currency Reserve.	For General Purposes.	Gold Standard Reserve.	Paper Currency Reserve.	For General Purposes.	Paper Currency Reserve.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
To end of April	1,197,875	—	—	1,378,214	17,902	—	1,006,967	—	—	1,388,135	—	—	—	617,758	882,987	2,227,097	191,938	—	66,681	– 48	—	2,748,192	—	—	2,833,334	—	875,000	1,438,909	1,333,333
" May	2,233,478	—	—	3,222,088	17,902	—	2,403,578	363,000	—	2,071,735	30,000	200,000	—	1,253,083	1,564,676	3,589,558	281,674	—	129,402	– 63	—	2,948,768	2,200,000	—	4,442,130	—	1,665,000	4,284,686	1,333,333
" June	3,223,049	—	—	4,811,041	17,902	—	3,713,264	849,302	—	3,107,329	175,000	200,000	—	2,703,860	1,965,700	5,288,330	402,924	—	299,272	– 63	—	4,388,343	2,800,000	—	5,579,406	—	1,745,000	6,063,840	1,333,333
" July	4,471,299	—	—	6,320,932	17,902	—	4,613,336	1,354,095	—	4,515,056	460,000	200,000	—	3,550,935	2,661,473	7,093,881	578,392	—	486,119	– 63	—	6,141,994	2,800,000	—	6,887,005	—	1,745,000	7,485,477	1,333,333
" August	5,737,190	—	—	7,950,637	17,902	—	5,949,274	1,954,473	—	5,264,783	594,637	200,000	1,333,333	6,200,714	3,008,261	6,845,224	1,092,7[illegible]	—	748,335	– 63	—	6,839,040	2,800,000	—	8,115,431	—	1,745,000	8,827,727	1,333,333
" September	6,693,929	—	—	9,340,925	132,962	—	6,705,233	2,267,203	—	7,526,887	819,037	300,000	1,333,333	8,335,785	3,332,920	6,471,177	3,02[illegible]	186,693	2,179,548	– 63	—	7,228,694	2,800,000	—	9,660,911	—	1,745,000	10,686,551	1,333,333
" October	7,751,862	—	—	10,466,362	730,962	—	7,879,738	2,748,493	—	9,586,763	1,319,037	570,000	1,333,333	9,592,117	4,710,331	6,909,308	3,513,2[illegible]	5,693	3,438,146	– 63	—	8,269,925	3,300,000	—	11,154,373	—	1,745,000	12,485,785	1,333,333
" November	9,236,644	—	—	11,962,451	1,251,676	—	10,488,336	3,040,330	—	11,317,735	2,188,229	770,000	1,333,333	11,013,517	5,589,835	8,317,395	3,709,823	292,681	3,856,051	– 63	—	9,090,938	3,800,000	—	12,484,634	—	1,745,000	13,579,211	1,333,333
" December	10,871,497	—	—	12,953,389	2,245,073	—	12,526,994	3,501,822	—	12,578,369	3,308,544	1,470,000	1,333,333	13,919,711	6,881,447	10,398,443	1,191,679	292,681	6,230,493	– 63	—	12,909,417	3,800,000	—	13,933,928	—	1,745,000	15,101,805	1,333,333
" January	13,351,537	—	—	14,926,111	3,324,418	323,000	14,915,923	3,734,362	200,396	13,925,215	5,061,959	2,210,000	1,333,333	16,855,241	7,109,511	12,079,764	1,191,353	298,324	10,427,983	– 63	—	14,594,075	4,450,000	—	19,324,115	—	1,745,000	19,868,305	1,333,333
" February	16,140,838	—	—	16,202,830	3,900,764	1,589,250	16,747,221	4,202,382	200,396	17,726,395	6,097,327	2,210,000	1,333,333	20,401,551	8,741,335	13,744,814	1,191,353	298,324	12,241,153	– 63	220,784	15,799,800	5,800,000	—	21,266,474	—	2,545,000	22,502,530	1,088,333
" March	17,951,946	285,000	263,000	17,603,976	4,055,327	2,200,000	19,184,784	4,540,378	700,396	19,172,597	8,118,043	3,543,000	1,333,333	19,003,267	10,720,929	13,586,463	1,191,353	526,324	12,424,092	– 63	1,491,487	17,850,586	8,090,000	1,000,000	23,638,303	600,000	2,545,000	25,070,217	1,088,333
Total, October to March	11,348,617	285,000	263,000	8,254,051	3,902,365	2,200,000	12,479,549	2,252,385	700,396	11,645,710	7,298,406	3,043,000	—	11,325,482	7,188,909	7,118,306	– 1,858,412	330,294	10,244,654	—	1,491,487	10,621,892	5,290,000	1,000,000	13,947,392	600,000	800,000	14,383,066	655,000

Gold earmarked for the Paper Currency Reserve has been deducted from the amount of bills, &c., sold for General Purposes, with the following exceptions :—

(a) The sum of 1,045,000*l.* temporarily deposited during 1905–6 and repaid in 1906–7.
(b) The sum of 1,000,000*l.* appropriated from the proceeds of bills, and earmarked during 1909–10.
(c) The sum of 2,545,000*l.* appropriated from the proceeds of bills, and earmarked during 1910–11.
(d) The sum of 655,000*l.* appropriated from the proceeds of bills, and earmarked during 1911–12.

Gold taken from the Paper Currency Reserve to meet payments for silver has been deducted from the amount of such payments. The decrease in the figures of the second column during the latter half of 1907–8 is accounted for by the fact that gold was withdrawn after the conclusion of the purchases of silver.

The sum of 156,000*l.* paid in 1909–10 in respect of bills sold in India has been deducted from Remittances for General Purposes.

14492. I. 177. 1000.—2/1913. K & S.

INDIA OFFICE (PURCHASES OF SILVER).

RETURN to an Address of the Honourable The House of Commons, dated 16 December, 1912 ;—*for*,

"RETURN of CORRESPONDENCE with the BANK OF ENGLAND and Messrs. SAMUEL MONTAGU & COMPANY, relating to the PURCHASES OF SILVER in 1912."

India Office,
17 December, 1912.

T. W. HOLDERNESS,
Under Secretary of State for India.

(*Mr. Rupert Gwynne.*)

Ordered, by The House of Commons, *to be printed.*
17 *December*, 1912.

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INDIA OFFICE (CORRESPONDENCE RELATING TO THE PURCHASES OF SILVER IN 1912).

PART I.—CORRESPONDENCE WITH THE BANK OF ENGLAND.

A.—In 1906.
B.—In 1912.

A.

No. 1.

Sir James Mackay to Governor of Bank of England, dated 29th March, 1906.

The Secretary of State accepts the arrangement which we came to yesterday regarding commission and brokerage on the purchase of silver. As it is usual in making arrangements of this kind to settle them for a definite term, he would propose that the period be made five or seven years, whichever of the two is more agreeable to you. I enclose a copy of the note agreed between us yesterday. It is understood that you are free to make your own arrangements with the brokers so far as their remuneration is concerned, provided the total charge paid by the Secretary of State does not exceed the quarter or eighth per cent. as the case may be.

Enclosure in No. 1.

The inclusive charge for brokerage, commission, &c., in respect of silver purchased for the India Office to be as follows :—

One-quarter per cent. on the first two millions purchased in any financial year (1st April to 31st March); one-eighth per cent. on any further amount purchased.

The payment made under this agreement to be divided between the Bank of England and the bullion brokers as may be arranged by them without the intervention of the India Office.

No. 2.

Governor of Bank of England to Sir James Mackay, dated 2nd April, 1906.

I am much obliged for your note of the 29th ultimo, from which I was glad to learn that the Secretary of State had approved of the arrangement regarding the commission and brokerage for the purchase of silver for India at which you and I had arrived.

I assume that you do not suggest that any change be made as regards the commission so far as the two orders not yet finally settled and the order now in course of completion are concerned, and I would therefore propose that the wording of the "Note" should run as follows :—

"One-quarter per cent. on the first two millions '*ordered to be*' purchased in any financial year (1st April to 31st March); one-eighth per cent. on any further amount purchased."

No. 3.

India Office to Governor of Bank of England, dated 12th April, 1906.

I am directed to inform you that your correspondence with Sir James Mackay regarding the charge for brokerage and for the remuneration of the Bank of England in connection with the purchase of silver has been laid before the Secretary of State for India in Council and he agrees to the following arrangement for five years from the 1st of April, 1906.

The inclusive charge for brokerage, commission, &c., in respect of silver purchased for the India Office to be as follows :—

One-quarter per cent. on the first two millions ordered to be purchased in any financial year (1st April to 31st March).

One-eighth per cent. on any further amount.

The payment made under this agreement to be divided between the Bank of England and the bullion brokers as may be arranged by them without the intervention of the India Office.

No. 4.

Bank of England to India Office, dated 17th April, 1906.

I am directed to acknowledge the receipt of your letter of the 12th instant, addressed to the Governor, with regard to the charge for brokerage and the remuneration to be received by the Bank in connection with the purchase of silver on behalf of the Government of India.

In reply I am to say that, while the Governor had understood that the arrangement was to last for a period of seven years, he is nevertheless quite willing to agree to the shorter term of five years if that condition is more acceptable to the Secretary of State.

No. 5.

India Office to Bank of England, dated 5th May, 1906.

With reference to Mr. Harvey's letter of the 17th April, I am directed to inform you that the Secretary of State for India in Council readily accepts the suggestion that the arrangement recently made as to the remuneration to be received by the Bank of England in connection with the purchase of silver for the Government of India, shall hold good for seven years, instead of five years, from the 1st April, 1906

B.

No. 6.

Governor, Bank of England, to Mr. L. Currie, dated 24th October, 1912.

Mr. A. F. Wallace, who has been away in Scotland, returned to the Bank yesterday. In accordance with what I told Sir Felix Schuster before he left for his holiday, I asked Mr. Wallace to see Lord Inchcape in reference to the correspondence that passed in 1906, when Mr. Wallace was Governor, between the India Office and the Bank in regard to the purchasing of silver by the Bank for the Indian Government. Mr. Wallace informs me to-day that he saw Lord Inchcape yesterday, and that Lord Inchcape told him that the correspondence of 1906 was intended to be a definite agreement between the India Office and the Bank under which for the period mentioned the purchasing of silver required by the Indian Government should be done by the Bank.

This is in such direct conflict with the view expressed by you yesterday that I write this line to you at once as, under the circumstances, I think the matter should be brought without delay to the notice of the Secretary of State for India, and I shall be obliged by your taking this course, showing him this letter if you wish to do so.

(27558—3.) Wt. —. 1000. 12/12. D & S. A 2

No. 7.

Mr. L. Currie to Governor, Bank of England, dated 24th October, 1912.

I saw Lord Crewe this evening and showed him your letter in accordance with your request. He will consider the matter carefully and will probably see Lord Inchcape before arriving at a decision.

No. 8.

Mr. L. Currie to Governor, Bank of England, dated 30th October, 1912.

Lord Crewe has seen Lord Inchcape and has decided that future purchases of silver up to 31st March next shall be made through the Bank of England.

No. 9.

India Office to Bank of England, dated 30th October, 1912.

I am directed by the Secretary of State for India in Council to request that you will be so good as to arrange for the purchase of silver to the value of £1,000,000, and for its shipment to India in the proportion of two-fifths to Calcutta and three-fifths to Bombay.

You will doubtless appreciate the importance of making the purchase in such manner as to cause the least possible advance in the price of silver. Subject to this consideration, it is desirable that the whole of this silver should reach India, if possible, by about the middle of December.

No. 10.

Bank of England to India Office, dated 31st October, 1912.

I beg to acknowledge the receipt of Mr. Abrahams's letter of the 30th instant, and to inform you that, as desired, the Bank are promptly acting on your instructions for the purchase and shipment of silver to India to the value of £1,000,000.

No. 11.

Governor, Bank of England, to Mr. L. Currie, dated 31st October, 1912.

I am obliged by your letter of yesterday.* Although it does not definitely say so, I conclude from its terms that Lord Crewe admits that the correspondence in 1906 constituted an agreement which terminates on the 31st March next.

No. 12.

Mr. L. Currie to Governor, Bank of England, dated 1st November, 1912.

In reply to your letter of yesterday, Lord Crewe does not admit that there is anything in the correspondence between the India Office and the Bank of England to indicate that the Bank alone was to purchase silver for the Secretary of State.

---

* *See* No. 8 above.

Having, however, heard from Lord Inchcape that there was a verbal understanding between himself and Mr. Wallace to this effect, Lord Crewe, now that he is aware of it, has no wish to depart from this arrangement. He proposes therefore to make future purchases of silver through the Bank under the terms of the agreement of 1906 until its termination on 31st March next.

As I think I mentioned to you, no record was made by Lord Inchcape of his conversation with Mr. Wallace, so that it was impossible for the Secretary of State to know of the existence of the understanding in question.

No. 13.

Governor, Bank of England, to Mr. L. Currie, dated 4th November, 1912.

I write to acknowledge receipt of your letter of the 1st instant.

I wish to point out that the question between the India Office and the Bank is not what passed verbally between Lord Inchcape and Mr. A. F. Wallace in 1906, but the interpretation to be given to the written correspondence of that year.

I shall be obliged if you will kindly inform me whether Lord Crewe has had before him a copy of Sir James Mackay's (Lord Inchcape's) letter to Mr. Wallace of the 29th March, 1906, enclosing a note of the terms agreed upon on the previous day written on India Office paper in Mr. Abrahams' own handwriting, and a copy of Mr. Wallace's letter of the 2nd April to Sir James Mackay?

If Lord Crewe has seen copies of these letters and has heard Lord Inchcape's own interpretation of the correspondence, I can only express great surprise at what you write on his behalf. If Lord Crewe has not had before him the correspondence to which I refer and of which I enclose copies,* I must request you to submit these letters including this letter to him without delay.

No. 14.

Mr. L. Currie to Governor, Bank of England, dated 5th November, 1912.

I have your letter of the 4th instant, with enclosures, which shall be shown to Lord Crewe.

A copy of Sir James Mackay's letter, to which you refer, was on the file with the rest of the correspondence, and I have no doubt that Lord Crewe has seen it.

The India Office did not consider that this letter was intended to preclude the Secretary of State from purchasing silver through other channels than the Bank of England, but only to regulate the commission in cases in which purchases were carried out by the Bank.

No. 15.

Bank of England to India Office, dated 8th November, 1912.

With reference to the current order for purchase of silver, I beg to forward herewith a copy of a letter from Messrs. Mocatta and Goldsmid, to which I shall be glad if you will enable me to reply in due course.

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* Nos. 1, 2, 3, 4 and 5, *vide* pp. 2 and 3.

Enclosure in No. 15.

Messrs. Mocatta and Goldsmid to Bank of England, dated 7th November, 1912.

Under date 1st and 26th February, 1905, we have instructions from you not to include in our shipments for the Government of India bars of the " Raritan " or " D.R.W." brand.

Since that time these two brands of silver have very greatly improved, and they are now willingly accepted by every class of buyer, including the Royal Mint in London. As large quantities of these bars now come to market, the instructions not to include these bars in our shipments might, if spot silver were scarce, result in some delay in shipment, and we therefore beg to submit the following suggestion :—

> That a moderate quantity of bars of each of the above marks be included in our first shipment to Bombay, and that the Mint Master should have his attention especially directed to these bars with a view to discovering whether they are in any way unsuitable for the requirements of the Government.

Should his report prove favourable we presume the instructions not to include these bars in our shipments to the Government might be withdrawn.

No. 16.

India Office to Bank of England, dated 16th November, 1912.

With reference to your letter of the 8th instant, regarding the shipment to India of " Raritan " and " D.R.W." bars, I am directed to inform you that the suggestion submitted by Messrs. Mocatta and Goldsmid, in their letter to you of the 7th instant, is accepted.

No. 17.

India Office to Bank of England, dated 18th November, 1912.

In confirmation of the telephonic communication made to you this morning, I am directed to inform you that it has been ascertained from the Government of India that there is no objection to the proposed postponement of the shipment of silver, provided that £500,000 be shipped to Bombay and £250,000 to Calcutta on the 29th instant.

No. 18.

India Office to Bank of England, dated 20th November, 1912.

In reply to your letter of 4th November, addressed to Mr. Currie, I am directed to inform you that Lord Crewe has had before him the correspondence of 1906 to which you refer.

The correspondence has now been submitted to the Secretary of State's Legal Adviser, whose opinion is herewith enclosed for your information.

I am at the same time to remind you that since April, 1906, several purchases of silver have been made by the Secretary of State for India in Council from the London City and Midland and other banks besides those purchases which have been made for him by the Bank of England through their brokers.

If, however, on consideration you desire it, the Secretary of State for India in Council is prepared to submit the interpretation of the correspondence of 1906 to arbitration.

The agreed arbitrator in cases of difference of opinion between this and other Government Departments is the Lord Chief Justice, who would doubtless be willing to arbitrate on this matter.

Enclosure in No. 18.

Opinion of Legal Adviser to Secretary of State, dated 7th November, 1912.

To ascertain the nature and terms of the agreement in question recourse must be had to the terms of the correspondence which passed between the Secretary of State (and his representatives) and the Bank, the clear intention of the parties being that the terms of the agreement should be disclosed in that correspondence.

Looking to the letters, therefore, the agreement come to was an agreement, in my opinion, defining only the rates of brokerage and commission to be paid to the Bank on all purchases of silver to be made by the Bank on behalf of the Secretary of State during a certain fixed period.

There is nothing in the arrangement binding the Secretary of State to employ the Bank exclusively, or at all, for the purchase of silver during that period. Nor, in my opinion, can any stipulation to that effect be implied from the terms of the correspondence. See the remarks of Lord Macnaghten in giving the Judgment of the Privy Council in a similar case reported—*Queen* v. *Demers*, L.R., App. Cases (1900), pp. 103, 108.

(Signed) S. G. SALE.

7th November, 1912.

No. 19.

Bank of England to India Office, dated 27th November, 1912.

I am directed by the Governor to acknowledge the receipt of your letter of the 20th instant, and of the legal opinion you enclosed referring to the recent purchases of silver by the Secretary of State for India.

I am to say that the Governor does not consider the matter in question to be one for a legal arbitration seeing that there is, as Lord Crewe is aware, no room for doubt as to what was the intention in 1906 of the representative of the India Office acting on behalf of the then Secretary of State.

From the date of the closing of the Indian Mints up to 1906, the purchases of silver for the India Office in London were made by the Bank of England, and when the reduced terms for the conduct of the business were accepted by the Bank in 1906 for the definite period of seven years it was not suggested that the then existing arrangements should be altered. The Governor of the Bank in 1906 believed that the correspondence with the India Office embodied, and was intended to embody, the agreement he had come to with the representative of the India Office.

With regard to the purchases made otherwise than through brokers, I am to point out that the fact of these purchases, having, as it is believed, been almost invariably effected through, or with the knowledge of the Bank, confirmed the Bank's view that they were to retain the conduct of the business.

While the Governor does not desire to proceed to a legal arbitration, I am to express his regret that, having regard to the long-standing cordial and confidential relations between the India Office and the Bank, no notice or intimation whatsoever should have been given to the Bank in the early part of this year that the India Office had decided to make their silver purchases through other channels.

No. 20.

India Office to Bank of England, dated 29th November, 1912.

I am directed to acknowledge the receipt of your letter of the 27th instant, and to inform you that a detailed reply thereto will be sent to you shortly.

Meanwhile I am to inform you that the Secretary of State, while regretting that a difference of opinion should have arisen as to the effect of the correspondence of 1906, is unable, after careful consideration of the records of this Office, to accept the view that it was the intention of his predecessor in Council to enter into an agreement that purchases of silver in London for the Government of India should be made exclusively by the Bank of England.

No. 21.

Bank of England to India Office, dated 29th November, 1912.

I beg to inform you that at the request of the Secretary of State in Council of India, and in accordance with your letter of the 18th instant, 1,670 bars of silver, valued at £250,000, have to-day been shipped to Calcutta per steamship " Nigaristan," and 3,392 bars, valued at £500,000, to Bombay per steamship " Maloja."

The relative bills of lading have been duly received and will be forwarded by to-day's mail to the Mint Masters at Calcutta and Bombay, respectively.

No. 22.

Bank of England to India Office, dated 3rd December, 1912.

With reference to the recent purchase of silver through Messrs. Mocatta and Goldsmid, and to your letters of the 30th October and 18th November last, I write to confirm telephonic communication of yesterday to the effect that the balance of the order will be shipped as follows, viz., £150,000 to Calcutta and £100,000 to Bombay.

No. 23.

Bank of England to India Office, dated 5th December, 1912.

With reference to the conversation which took place here yesterday, I now write to place on record the fact, then explained by the Governor to Sir Felix Schuster, that under existing arrangements the Bank accept no responsibility in connection with the insurance of silver shipped to India on behalf of the Secretary of State for India in Council.

Should the Secretary of State desire it, however, the Bank would be prepared to effect the insurance, and to guarantee the transaction, provided mutually satisfactory terms can be arranged.

No. 24.

Bank of England to India Office, dated 6th December, 1912.

I beg to inform you that, at the request of the Secretary of State in Council of India, 194 bars of silver and 1,017 boxes of Mexican dollars, together valued at £150,000 have to-day been shipped to Calcutta per steamship " Borneo," and 136 bars and 677 boxes of Mexican dollars, together valued at £100,000 to Bombay per steamship " Macedonia."

The relative bills of lading have been duly received, and will be forwarded by to-day's mail to the Mint Masters at Calcutta and Bombay, respectively.

No. 25.

India Office to Bank of England, dated 6th December, 1912.

I am directed by the Secretary of State in Council to address you, in continuation of my letter of 29th November,* on the questions that have arisen regarding the purchase of silver.

The proposal to have recourse to arbitration was made in order to meet what were understood to be the views of the Governor, who wrote on 4th November to Mr. Currie as follows: " I wish to point out that the question between the India Office and the Bank is not what passed verbally between Lord Inchcape and Mr. A. F. Wallace in 1906, but the interpretation to be given to the written correspondence of that year." It appeared to Lord Crewe that the best method of settling a difference of opinion regarding the interpretation of correspondence would be by reference to a suitable arbitrator.

* *Vide* No. 20.

As regards the existence of an understanding not expressed in the correspondence, that the India Office should purchase exclusively through the Bank, the facts are as follows :—

Until the receipt of the Governor's letter of 24th October addressed to Mr. Currie, Lord Crewe had received no intimation that the Bank regarded the agreement of 1906 as based on an understanding that silver required for the Government of India would be purchased exclusively through the Bank. His Lordship had before him the following facts :—

(1) The records of this Office contain nothing to show that an agreement for exclusive purchase through the Bank was contemplated.

(2) No present member of the India Office has any recollection of such an intention.

(3) In 1906 and 1907, when the recollection was still fresh of the circumstances in which the agreement of the former year was made, seven purchases of silver were made by the India Office in London otherwise than through the Bank. A list is attached.* In three cases there was communication with the Bank of England on the subject; in four there was not.

On receipt of the Governor's letter of 24th October last, Lord Crewe took the earliest opportunity of seeing Lord Inchcape, and was informed by him that his recollection of his conversation with Mr. Wallace on 28th March, 1906, which preceded the agreement made in the correspondence, was substantially the same as Mr. Wallace's.

Lord Crewe has since decided, as the Governor is aware, to make future purchases of silver up to 31st March next through the Bank of England.

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*Enclosure to No. 25.

Date of Purchase.	Amount paid.	From whom purchased.	What communication (if any) was made through the Bank of England.	Whether commission was paid to the Bank of England on the transaction or not.
	£ s. d.			
December, 1906...	50,000 0 0	Hongkong and Shanghai Banking Corporation.	Arranged through Bank of England.	No.
" " ...	6,285 2 3	" " "	" " "	No.
February, 1907 ...	30,000 0 0	London City and Midland	—	No.
" " ...	10,339 5 2	" " "	—	No.
May " ...	9,857 10 9	" " "	—	No.
June " ...	22,031 7 6	" " "	—	
July " ...	40,745 7 7	" " "	Some of the correspondence was made through the Bank of England.	No.

No. 26.

Bank of England to India Office, dated 9th December, 1912.

I am directed by the Governor to acknowledge the receipt of your letters of the 29th ultimo and 6th instant.

With reference to your letter of the 29th ultimo, I am to say that whatever may have been the intention of Lord Crewe's predecessor in Office the Governor of the Bank in 1906 felt entitled to rely on the statements made to him by the representative of the India Office who acted on behalf of the Secretary of State.

As regards the seven small purchases in 1906 and 1907, amounting to £169,000, referred to in your letter of the 6th instant, I am to point out that these were the result of offers submitted to you, not of an order to purchase. The larger part, amounting to £97,000, was on your own showing effected in communication with the Bank of England, and not one of these seven purchases was made through brokers in the London market.

PART II.—UNOFFICIAL LETTERS TO SIR FELIX SCHUSTER, BART.

No. 27.

Messrs. Samuel Montagu and Co. to Sir Felix Schuster, dated 8th January, 1912.

We venture to make a suggestion to you with regard to silver purchases for the Indian Government which you may consider as of value.

From our careful study of the statistical position of the Indian Treasury reserves, it appears to us that the time is not far distant when it will be considered prudent for them to strengthen themselves by coining rupees.

You will not fail to have remarked, if you have read our circular, that "The net is being spread in the sight of the bird." If, therefore, you postpone your purchases until you are absolutely pressed for currency, the chances are that you will have no other supply available beyond that that is being nursed for you by Indian speculators. The inevitable result being that you will have to pay more or less whatever you are asked by them.

Our proposal is this. We receive consignments from special clients of our own, of silver peculiarly adapted to coinage purposes, averaging about £50,000 per week, which we have to sell at the market prices.

We suggest that we put this silver down to your account at the market prices ruling on the days we make the sale, and deposit it in the Bank of England for your account.

We should not in the least disturb the market because we should make no purchases for the Council "at fixing," and, what is most important, no one would have the remotest idea that you were buying, and prices would not, as has been the invariable case in the past, be run up against you, as the amount of silver passing through our hands is, as you can well imagine, vastly more than £50,000 per week.

Putting silver into the Bank of England is such an everyday occurrence just now, that our doing so would create no comment.

We particularly do not care about approaching Edwin Montagu on this matter for reasons that must be obvious to you.

We do not see, however, that our close relationship to this gentleman should militate against the Indian Council's doing business with us if they conscientiously think that it is to their advantage to do so.

No. 28.

Mr. E. L. Franklin to Sir Felix Schuster, dated 9th January, 1912.

(Private.)

Of course, there would be no need for the Bank of England to be made acquainted with your purchases. They need only be told that they are to receive the silver against loans. This method, would, I think, close every possibility of a leakage.

PART III.—CORRESPONDENCE WITH MESSRS. SAMUEL MONTAGU & CO.

NOTES.—(1) The Contracts and Statements will be found in Appendices A. and B. respectively.

(2) The Bank of England receipts mentioned in the correspondence were returned to the Bank, and are, therefore, not reproduced here.

No. 29.

India Office to Messrs. Samuel Montagu and Co., dated 4th March, 1912.

I am directed to inform you that the Secretary of State for India in Council will be obliged if you will gradually purchase on his behalf bar silver up to the value of £500,000. He leaves it to your discretion to purchase at such times and in such amounts as you may consider expedient, with the object of avoiding, to the utmost extent possible, any action likely to raise the price of the metal or to reveal the fact that the purchases are on his behalf. All purchases should, until further notice, be made for forward delivery, *i.e.*, for delivery either two months after the date of the contract, in accordance with the usual practice, or, by preference, at a later date not being subsequent to 31st July.

It is requested that you will keep Sir Felix Schuster informed of the action taken by you, and will refer to him on any point on which consultation may seem desirable.

Contracts for the silver purchased should be sent by you marked "Confidential" to the Financial Secretary, India Office; and, when you obtain delivery of silver, the warrants should be sent to the same address with applications for payment. It is understood that you wish payment to be made to your bankers, the Union of London and Smith's Bank, at their head office, Princes's Street, E.C. If so, will you be good enough to send to this Office a letter conveying the necessary authority?

When arrangements have been made for the shipment of any silver, the warrants will be returned to you, and a member of this Office will call for the bills of lading in order that they may be posted to India without delay.

No. 30.

Messrs. Samuel Montagu and Co. to India Office, dated 5th March, 1912.

We have the pleasure to acknowledge your letter of yesterday's date with an order to purchase for the Secretary of State for India silver to the value of £500,000, we to use our discretion as to the times and in what amounts we buy. All purchases to be made, until further notice, for forward delivery, but not beyond July 31st.

We take full note of all instructions concerning payment and eventual shipping.

We succeeded in buying to-day about £50,000 at a fall of 3/16 of a penny in the forward price, and have left the market weak.

It is quite possible that we may judge it advisable to abstain from buying for you altogether to-morrow, as there is nothing so likely to provoke comment as appearing to have no silver for sale for any length of time. That is why we have secured rather more than an average amount to-day.

We are sending you a contract, and shall, later on, send you an authority to pay all sums due to us on account of shipments or deliveries to the Union Bank.

You will notice that we have secured a portion of to-day's purchase for delivery June 30th.

No. 31.

Messrs. Samuel Montagu and Co. to India Office, dated 6th March, 1912.

The market was very small to-day, so that we judged it best to sell the small amount we had for sale on the market—not to appear a seller—and only get a few thousand pounds.

The market looks a little steadier on China buying.

No. 32.

Messrs. Samuel Montagu and Co. to India Office, dated 7th March, 1912.

Since our last contract of to-day's date we have purchased for you a further £15,000 for delivery about two months at $26\frac{3}{4}$. Contract for which we have the pleasure to enclose.

No. 33.

India Office to Messrs. Samuel Montagu and Co., dated 7th March, 1912.

I am obliged to you for your letter of 5th March, with enclosure, and for your letter of yesterday, the contents of which are duly noted.

No. 34.

Messrs. Samuel Montagu and Co. to India Office, dated 7th March, 1912.

We beg to enclose following contract for the purchase of £40,000 silver for June 30th.

You will notice that £10,000 was secured at 1/16*d.* below the forward quoted price.

No. 35.

India Office to Messrs. Samuel Montagu and Co., dated 8th March, 1912.

I beg to acknowledge, with thanks, the receipt of your two letters of yesterday, with enclosures, the contents of which are duly noted.

No. 36.

Messrs. Samuel Montagu and Co. to India Office, dated 8th March, 1912.

We have the pleasure to enclose a contract for £40,000 bought for you to-day for delivery in about two months.

We take this opportunity to confirm the arrangement we made last week that all purchases for yourself, are subject to a brokerage of $\frac{1}{8}$ per cent. Also that, should you employ us, at any time, we should charge you a brokerage.

No. 37.

Messrs. Samuel Montagu and Co. to India Office, dated 8th March, 1912.

Since writing we have received a further order to sell £7,000 from America.

We shall send you a contract for this on Monday at $26^{11}/_{16}$ for two months delivery. The contract book is not to be got at at this late hour.

This makes £47,000 to-day.

No. 38.

India Office to Messrs. Samuel Montagu and Co., dated 11*th March*, 1912.

I am in receipt of your two letters of the 8th, with enclosure, and I duly note what you say as to commission.

No. 39.

Messrs. Samuel Montagu and Co. to India Office, dated 11*th March*, 1912.

We have the pleasure to enclose two contracts for the purchase of fine bar silver for delivery in about two months, one for £7,000 dated Friday, the other for £35,000 a fresh purchase to-day.

No. 40.

India Office to Messrs. Samuel Montagu and Co., dated 12*th March*, 1912.

I am obliged to you for your letter of yesterday, with two enclosures.

No. 41.

Messrs. Samuel Montagu and Co. to India Office, dated 12*th March*, 1912.

We have to-day purchased for you £20,000 June 30th silver at $26\frac{7}{8}$.

No. 42.

Messrs. Samuel Montagu and Co. to India Office, dated 13*th March*, 1912.

We have to-day purchased for you about £20,000 at $26^{13}/_{16}$ delivery mid. June. We enclose contract.

No. 43.

India Office to Messrs. Samuel Montagu and Co., dated 13*th March*, 1912.

I am in receipt of your letter of the 12th, with enclosure, the contents of which are duly noted.

No. 44.

Messrs. Samuel Montagu and Co. to India Office, dated 14*th March*, 1912.

We have the pleasure to enclose a contract note for £73,000 silver for two months' delivery purchased at $26\frac{7}{8}$.

We appear to have dated yesterday's contract March 12th instead of March 13th, at least, we have so dated the counterfoil. If that is so, will you kindly alter it so that it may not appear that we have purchased silver for you at a price which is not that " fixed " on the day itself.

To-day's purchase brings up the total to £300,000.

No. 45.

India Office to Messrs. Samuel Montagu and Co., dated 15th March, 1912.

I beg to acknowledge the receipt of your letter of the 14th instant, with enclosure, the contents of which are duly noted.

I have made the requested correction of date in your enclosure of the 13th.

No. 46.

Messrs. Samuel Montagu and Co. to India Office, dated 18th March, 1912.

We have the pleasure to enclose a contract for about £55,000 silver purchased for you to-day at $26^{13}/_{16}$. You will see that £20,000 is for delivery the 18th July about.

We consider that we have been rather fortunate to-day inasmuch as so large an amount of silver is, for the moment, *hors de combat.*

No. 47.

India Office to Messrs. Samuel Montagu and Co., dated 19th March, 1912.

I beg to acknowledge the receipt of your letter of the 18th instant, with enclosure, the contents of which are duly noted.

No. 48.

Messrs. Samuel Montagu and Co. to India Office, dated 19th March, 1912.

We have the pleasure to enclose a contract for the purchase of £15,000 silver, of which £5,000 is for two months and £10,000 for three months at $26\frac{7}{8}$.

No. 49.

India Office to Messrs. Samuel Montagu and Co., dated 20th March, 1912.

I beg to acknowledge the receipt of your letter of the 19th instant, with enclosures, the contents of which are duly noted.

No. 50.

Messrs. Samuel Montagu and Co. to India Office, dated 20th March, 1912.

We have to-day purchased for you about £50,000 silver according to contract enclosed.

This makes £420,000 out of the £500,000 order, and no deliveries can take place till early in May.

No. 51.

India Office to Messrs. Samuel Montagu and Co., dated 21st March, 1912.

I beg to acknowledge the receipt of your letter of the 20th instant, with enclosure, the contents of which are duly noted.

No. 52.

Messrs. Samuel Montagu and Co. to India Office, dated 21st March, 1912.

We have pleasure in enclosing a contract for £10,000 silver at $26^{13}/_{16}$ delivery about two months.

This makes £430,000 in all.

No. 53.

Messrs. Samuel Montagu and Co. to India Office, dated 22nd March, 1912.

We have the pleasure to inform you that we have just completed your order for £500,000 silver by the purchase of £70,000 for delivery in about two months at $26^{15}/_{16}$.

No. 54.

India Office to Messrs. Samuel Montagu and Co., dated 25th March, 1912.

I am directed to acknowledge the receipt of your letter of the 22nd instant enclosing a contract (No. 14) for the purchase of about £70,000 fine bar silver on behalf of the Secretary of State for India in Council, in completion of the order for £500,000 given to you in Mr. Abrahams' letter of 4th March.

I am now directed to request that you will be so good as to proceed to make further purchases on behalf of the Secretary of State in Council up to a value of £250,000. The remarks in the letter of the 4th March as to the method and conditions of purchase, &c., will be understood as applying equally to the present order.

No. 55.

Messrs. Samuel Montagu and Co. to India Office, dated 26th March, 1912.

We beg to acknowledge with thanks your order to purchase for the Secretary of State for India a further sum of £250,000 fine bar silver on the same conditions as the previous order of the 4th March.

We have to-day purchased £15,000 two months forward at $26\frac{7}{8}$ as per contract enclosed.

No. 56.

Messrs. Samuel Montagu and Co. to India Office, dated 27th March, 1912.

We have to-day purchased for you about £35,000 cash silver at $26\frac{3}{4}$ and £5,000 at $26^{13}/_{16}$ for forward as per contracts enclosed.

We will let you know when we shall deposit the former purchase at the Bank of England against receipts, when we shall ask you to transfer the approximate value to the Union Bank.

No. 57.

Messrs. Samuel Montagu and Co. to India Office, dated 28th March, 1912.

We had the pleasure of seeing Sir Felix Schuster this afternoon. He told us of a letter he had received from you commenting on our purchase of £35,000 *cash* silver yesterday.

He has asked us to reply to you explaining this deviation from your very clear instructions contained in your letter of the 4th instant. He tells us also that he will speak to you about it.

Our reason for buying cash was, as you naturally surmise, because Sir Felix Schuster asked us to do so, and we venture to think that his reason for so doing was wise and well thought out. He will doubtless explain it to you fully.

The actual payment for the cash silver is quite a minor matter with us, and can (and will) be adjusted to suit your convenience.

If you will be good enough to let us know the exact date when it suits you to pay, and return our contract of yesterday to us, we will alter this date of delivery and add to the price a fraction that will exactly correspond to the sum that we shall have to pay, as interest on the money involved, from the time that delivery is made to us, which will probably be Saturday or Monday, until such time as we receive payment from you.

Sir Felix Schuster is quite in accord with us in this matter. Indeed, it was his idea; and we both think that your primary object, *i.e.*, strict secrecy, is more absolutely secure this way than by our appearing as buyers of silver for one delivery and sellers for another.

Of course, when we *received* a premium for cash, or when we could carry silver forward at even rates, such transactions were far less likely to excite comment.

We shall, of course, continue to retain forward silver for you as it comes in, as we did to-day.

We have purchased for you, further, about £25,000 cash at $26^{13}/_{16}$ (date and difference of price to be adjusted on receipt of your reply stating what your wishes are), and about £15,000 forward at $26\frac{7}{8}$.

The contracts we are sending you under separate cover.

No. 58.

India Office to Messrs. Samuel Montagu and Co., dated 29th March, 1912.

I quite appreciate the arguments in favour of cash purchases under present conditions. The only objection to cash payments at present is that they would have to appear in accounts for the month of April, which would reach India and pass through many hands in the latter part of May.

We wished to keep such payments out of our April account if possible.

Our forward purchases do not involve any payments earlier than 5th May; and we think the best plan will be for you to alter the date of delivery in your contracts Nos. 16 and 19, which I return accordingly, and to add to the price as proposed by you a fraction corresponding to the sum that you will have to pay as interest on the money involved from the time that delivery is made to you until the date when you receive payment. The date may be a month forward, provided that carries the payment into May, or otherwise as early in May as you like.

No. 59.

Messrs. Samuel Montagu and Co. to India Office, dated 29th March, 1912.

We beg to enclose a contract for the purchase of £15,000 fine bar silver for two months' delivery.

No. 60.

Messrs. Samuel Montagu and Co. to India Office, dated 1st April, 1912.

We beg to acknowledge receipt of your letter of the 29th instant, and are pleased that our suggestion meets with your approval.

We enclose contracts 16 and 19 altered as to date and readjusted as to price. We also send you a contract for £12,000 three months' silver retained by us on Saturday.

No. 61.

Messrs. Samuel Montagu and Co. to India Office, dated 1st April, 1912.

We enclose a contract for our to-day's purchases. We have further quoted for £20,000 June silver to-day's price ($26^{13}/_{16}$), and will receive a reply to-morrow. If we get it we shall report to you.

We confirm our verbal agreement that contracts for to-morrow's and Wednesday's business will be sent to you on Thursday owing to our absence from the city on those days.

It may interest you to hear that the Indian Specie Bank purchased largely in Bombay to-day, and we *sold* £25,000 at fixing, having a fairly large selling order. Naturally we are regarded now as sellers, not buyers. We are making out a contract for the above-mentioned £20,000, which we have instructed our confidential clerk to post to you to-morrow morning, only if we should be successful in obtaining it.

No. 62.

Messrs. Samuel Montagu and Co. to India Office, dated 1st April, 1912.

Enclosed please find contract for the £20,000 June silver referred to in our letter of to-day's date.

No. 63.

India Office to Messrs. Samuel Montagu and Co., dated 3rd April, 1912.

I am in receipt of various letters from you enclosing contracts down to No. 23, for which I am obliged.

No. 64.

Messrs. Samuel Montagu and Co. to India Office, dated 4th April, 1912.

We have the pleasure of enclosing four contracts for the purchase of silver made during the last three days.

You will notice that we have secured about £230,000 out of the £250,000 that you desire.

We were very fortunate to obtain the £20,000, that we bid for, at $26^{13}/_{16}$, inasmuch as the market has risen considerably since then. It may interest you to know that we have been in a position, recently, to appear more as sellers than buyers at fixing.

No. 65.

India Office to Messrs. Samuel Montagu and Co., dated 6th April, 1912.

In Mr. Newmarch's absence I beg to acknowledge the receipt of your letter of the 4th instant, with enclosures, the contents of which are duly noted.

No. 66.

Messrs. Samuel Montagu and Co. to India Office, dated 9th April, 1912.

We have bought for you on Saturday £9,000 two months' silver at $27\frac{1}{8}$, and to-day £6,000 early May at $26^{15}/_{16}$, and £5,000 three months at the same price.

This completes the £250,000.

We had sufficient silver to sell to-day to enable us to put a fair quantity on the market independent of the £11,000 that we retained to fill up your order.

P.S.—Contracts will be sent to you to-morrow.

No. 67.

Messrs. Samuel Montagu and Co. to India Office, dated 10th April, 1912.

We beg to enclose contracts for the transactions reported to you by letter yesterday evening.

No. 68.

India Office to Messrs. Samuel Montagu and Co., dated 10th April, 1912.

In Mr. Newmarch's absence I beg to acknowledge the receipt of your letters (two) of the 9th and 10th instant, respectively, with enclosure, the contents of which are duly noted.

No. 69.

India Office to Messrs. Samuel Montagu and Co., dated 15th April, 1912.

With reference to previous correspondence, I am directed by the Secretary of State for India in Council to request that you will be so good as to make further purchases of silver on his behalf gradually up to a value of £250,000, subject to the conditions agreed upon in respect of the last order, and to your being able to purchase at no great advance on the present price. Should the price rise to any material extent before this order is completed, I am to request that you will be so good as to consult with Sir Felix Schuster as to the expediency of continuing purchases or temporarily suspending them.

No. 70.

Messrs. Samuel Montagu and Co. to India Office, dated 16th April, 1912.

We beg to acknowledge with many thanks receipt of your letter of yesterday's date requesting us to purchase for you a further amount of £250,000 fine bar silver on the same conditions as usual.

We note that you do not wish us to buy at a material advance in price without consulting Sir Felix Schuster.

This order we shall endeavour to carry out with the same secrecy as we have been fortunate enough to maintain hitherto.

We enclose you contracts of our to-day's transactions for your account, amounting to £35,000.

As the time is approaching when we shall have to take up our first deliveries on your behalf, we would be glad to know if you desire us to postpone the due dates for two months at the market rate. We believe that the difference will remain $\frac{1}{8}$d., equal to a shade under 3 per cent. on the money (per annum). The chief advantage to you would be the avoiding of any premature transactions with the Bank of England. For the movement of actual business from our office to the Bank might cause comment, though we do not believe for one moment that anyone would guess the nature of the business.

There would be a brokerage of $\frac{1}{8}$ per cent. to pay us for the postponement, but this would, naturally, be only on one side of the account.

No. 71.

Messrs. Samuel Montagu and Co. to India Office, dated 17th April, 1912.

We have the pleasure of sending you contracts for the purchase of £55,000 silver.

The price rose to-day on purchases by the bazaar, which is influenced by the further fall of about 80 lakhs in the silver reserve.

The opinion prevails among the Eastern Banks that there is not likely to be any influx until June.

It is on account of this that we have been a little freer with our buying, although we only took about a third of what was offering at "fixing."

We hope that you approve of our action.

No. 72.

India Office to Messrs. Samuel Montagu and Co., dated 18th April, 1912.

I am directed to acknowledge the receipt of your letters of 16th and 17th April, enclosing contracts for the purchase of £90,000 silver on those two days.

In reply to the enquiry in your letter of the 16th, I am to say that your proposal to postpone for two months, at market rates (at present $\frac{1}{8}$d.), the dates of delivery of silver shortly falling due, and to charge a brokerage of $\frac{1}{8}$ per cent. for the postponement, is accepted.

No. 73.

Messrs. Samuel Montagu and Co. to India Office, dated 18th April, 1912.

We have to-day purchased, for your account, about £40,000 silver as per contracts enclosed.

The market has again risen, due to purchases made on behalf of the Indian bazaar, and again we only took a very small proportion of what was offering at fixing.

No. 74.

India Office to Messrs. Samuel Montagu and Co., dated 19th April, 1912.

I beg to acknowledge the receipt of your letter of the 18th instant, with enclosure, the contents of which are duly noted.

No. 75.

Messrs. Samuel Montagu and Co. to India Office, dated 19th April, 1912.

We beg to acknowledge receipt of your letter of yesterday's date.

We take note of its contents and have, to-day, postponed £101,000, *i.e.*, contracts 16, 19, 22, 33, from May 1st to July 1st at $\frac{1}{8}$ of a penny to you, charging you the usual $\frac{1}{8}$ per cent. brokerage.

We shall continue to do these postponements at market rates as the due dates come nearer.

We have bought for you to-day £27,000, for which we enclose contract.

No. 76.

Messrs. Samuel Montagu and Co. to India Office, dated 22nd April, 1912.

We have to-day purchased for you £13,000 forward silver. We have also postponed about £76,000 till July.

We thought we had better do this amount as there is still £440,000 odd left that falls due in May. We shall, unless you ask us to do otherwise, wait a few days before paying $^3/_{16}$, with the view to doing some at $\frac{1}{8}$ if possible.

We enclose contracts for business done.

There is now about £80,000 still to buy. In view of the continued purchases by Indian speculators we thought it best to sell portions of our silver to-day in the market, and only to retain a small quantity for you.

No. 77.

India Office to Messrs. Samuel Montagu and Co., dated 23rd April, 1912.

I beg to acknowledge, with thanks, your letters of 19th and 22nd instant, with enclosures, and to say that your proposal to wait a few days before paying $^3/_{16}$ths for further postponements is approved.

No. 78.

Messrs. Samuel Montagu and Co. to India Office, dated 23rd April, 1912.

The market rose $\frac{1}{8}$ to-day on purchases by the Indian bazaar on a large scale. We therefore only retained a small amount, *i.e.*, £11,000 for you. We expect a small reaction, or rather hope for one, to-morrow, when we shall probably buy a larger amount.

The contract will follow to-morrow.

No. 79.

Messrs. Samuel Montagu and Co. to India Office, dated 24th April, 1912.

We have to-day purchased for you £19,000 at $28^{1}/_{16}$ for two months delivery.

Again we sold considerably at fixing, but the Indian Bazaar is very firm.

We have made enquiries about Mexican dollars and may be in position to give you some information in a day or two as to the price at which they could be bought. We fancy that the price would be in the neighbourhood of $28\frac{1}{2}$ to $28\frac{3}{4}$.

We estimate that about £300,000/400,000 has been bought for the bazaars the last few days.

No. 80.

Messrs. Samuel Montagu and Co. to India Office, dated 26th April, 1912.

No silver was obtainable yesterday. To-day we have purchased for you about £40,000 at $28\frac{1}{8}$ and also postponed £15,000, Contract 3 at $\frac{1}{8}$ of a penny difference. This leaves only £10,000 to buy, which we may have given to us to sell to-day or to-morrow.

The market is still strong, both India and China have bought largely.

Since writing we have bought a further £10,000, thus completing the order for £250,000.

No. 81.

India Office to Messrs. Samuel Montagu and Co., dated 27th April, 1912.

I beg to acknowledge the receipt of your letters of the 24th and 26th instant, with enclosures, the contents of which are duly noted.

No. 82.

Messrs. Samuel Montagu and Co. to India Office, dated 29th April, 1912.

We enclose contracts for a small postponement of silver for two months from May 4th at $\frac{1}{8}$d.

No. 83.

Messrs. Samuel Montagu and Co. to India Office, dated 3rd May, 1912.

We have postponed the £20,000 silver due to-morrow and also the £47,000 due the 8th for two months forward.

We have now nothing before the 11th instant, and that can wait for another week if necessary.

Silver is still pretty firm with the speculators buying extensively.

No. 84.

India Office to Messrs. Samuel Montagu and Co., dated 4th May, 1912.

I beg to acknowledge the receipt of your letter of the 3rd instant, with enclosures, the contents of which are duly noted.

No. 85.

Messrs. Samuel Montagu and Co. to India Office, dated 6th May, 1912.

We have to-day postponed delivery of about £15,000 silver, for which we enclose contracts.

No. 86.

Messrs. Samuel Montagu and Co. to India Office, dated 10th May, 1912.

We have to-day postponed £50,000 until July, as per contracts enclosed. The greater portion of the amount was due to-morrow.

Silver remains quite firm in tone with China not selling.

We had hoped to have done more with only $\frac{1}{8}$d. difference, but it was not possible, and to-day is the last day.

No. 87.

India Office to Messrs. Samuel Montagu and Co., dated 11th May, 1912.

I beg to acknowledge the receipt of your letters of the 6th and 10th May, with enclosures, the contents of which are duly noted.

No. 88.

Messrs. Samuel Montagu and Co. to India Office, dated 13th May, 1912.

We have to-day postponed contracts 9, 10, 12, 32, and 34 as per fresh contracts enclosed.

We make it that only £116,000 more is due in May.

We would be obliged if you would let us know the due date of contract 17, which is included in the above total. We are not sure, from the counterfoil, if it is for two months or three months.

No. 89.

India Office to Messrs. Samuel Montagu and Co., dated 14th May, 1912.

I beg to acknowledge the receipt of your letter of the 13th instant, with enclosures, the contents of which are duly noted. Contract No. 17 was for two months.

No. 90.

Messrs. Samuel Montagu and Co. to India Office, dated 15th May, 1912.

We have to-day postponed a further amount of £31,000 for two months.

We beg to enclose contracts for the same.

No. 91.

Messrs. Samuel Montagu and Co. to India Office, dated 16th May, 1912.

We have to-day postponed £30,000 from May, 22nd until July 22nd.

This forms portion of a £70,000 purchase, dated March 22nd, and the contract will follow to-morrow.

No. 92.

Messrs. Samuel Montagu and Co. to India Office, dated 17th May, 1912.

We have to-day postponed delivery of further £55,000 silver from May to July as per contracts enclosed. We have included the £30,000 done yesterday in the £70,000 due May 22nd.

This completes the May purchases.

Sir Felix Schuster has told us that it is your wish to take up and pay for the June deliveries.

No. 93.

India Office to Messrs. Samuel Montagu and Co., dated 18th May, 1912.

I beg to acknowledge the receipt of your letters of the 15th, 16th and 17th May, with enclosures, the contents of which are duly noted.

No. 94.

India Office to Messrs. Samuel Montagu and Co., dated 20th May, 1912.

With reference to previous correspondence, I am directed by the Secretary of State for India in Council to request that you will be so good as to make further purchases of silver on his behalf up to a value of £250,000, subject to arrangements as to price, date of delivery, &c., to be made in communication between you and Sir Felix Schuster.

No. 95.

Messrs. Samuel Montagu and Co. to India Office, dated 21st May, 1912.

We have much pleasure in acknowledging your order to buy for the Secretary of State for India £250,000 bar silver.

According to your instructions we have consulted Sir Felix Schuster as to the deliveries and price with the result that we have purchased according to contracts enclosed £39,000 for delivery June 1st.

We have fixed the price at $^{1}/_{32}$ of a penny above cash price in order to compensate ourselves for the loss of interest. In order not to send you a contract introducing so small a fraction, which would be contrary to custom, we have fixed half the amount at $28\frac{1}{4}$ and the other half at $28^{5}/_{16}$, which amounts to the same thing.

This also has the approval of Sir Felix.

No. 96.

Messrs. Samuel Montagu and Co. to India Office, dated 22nd May, 1912.

I have been informed that we have retained for you to-day about £15,000 silver for delivery June 1st. Half at $28\frac{1}{8}$, half at $28^{3}/_{16}$.

I shall send you the contracts for this and for what is done during the next few days on my return to the office.

I am simply telling our people to abstain from selling any silver, apart from forward delivery, that we may have consigned to us, and to keep me informed daily of the amounts so retained.

No. 97.

India Office to Messrs. Samuel Montagu and Co., dated 24th May, 1912.

As the time is approaching when you will be taking delivery of silver for us, I write to mention a point that has arisen in connection with our purchases in the past, viz., the marking, for purposes of identification of the seller, of bars or boxes of silver shipped for us. We have at times bought Mexican dollars, and among

these counterfeits have been discovered on delivery at the Mints in India, in respect of which we have had occasion to claim refunds from the sellers.

The authorities in India have also found fault with, and asked not to be supplied with, certain sorts of bars, viz., Raritan bars and "D.R.W." bars. In view of the contingency of any faults being found with silver shipped for us, I suppose all bars or boxes will bear distinguishing marks which will enable them easily to be traced to the source of supply?

Your letters of 21st, with enclosure, and of 22nd were duly received and noted.

No. 98.

Messrs. Samuel Montagu and Co. to India Office, dated 24th May, 1912.

As the price of silver was only 28 to-day we have secured for you £80,000 for June 1st, of which £40,000 is at 28 and £40,000 at $28^{1}/_{16}$.

No. 99.

Messrs. Samuel Montagu and Co. to India Office, dated 26th May, 1912.

Your letter of the 24th has been forwarded to me here.

All the bars we ship have identification marks and the same applies to our dollar boxes.

I will see that we ship no Raritan or D. R. W. bars, as we do not wish to cause the Indian authorities any trouble and these bars are good delivery here. We shall ask you to pay a large amount to the Union Bank on the 1st June. We shall write to you on the 31st instant to inform you how much. In order not to allow our deliveries to the Bank of England to synchronise with your payments, we have already started depositing bars with them against the receipts about which I spoke to you at our first interview, and we shall endeavour to avoid at any time depositing bars to the approximate value of the money we claim of you on the same day.

How would you like us to hand you the deposit receipts? Shall we send them up to your office on the morning of the pay-days by a confidential messenger who is not in our bullion department? These receipts are made out, I believe, to Samuel Montagu and Co. or order. Should we endorse them or shall we give you a signed undertaking to sign them if and when required?

Would you like me to arrange all these details with Sir Felix or shall I call at your office one evening on my return from the city?

I hear that we retained for you a small parcel, £6,000, on Saturday. The price rose $\frac{1}{8}$d., so that I am glad that we secured so substantial an amount as we did on Friday.

I shall be back at work on Tuesday.

No. 100.

Messrs. Samuel Montagu and Co. to India Office, dated 28th May, 1912.

We have to-day purchased for you about £110,000 silver, thereby completing the £250,000 order.

We enclose contracts for the various amounts advised since the 22nd instant.

We shall be requiring about £300,000 on June 1st.

No. 101.

India Office to Messrs. Samuel Montagu and Co., dated 28th May, 1912.

I beg to acknowledge the receipt of your letter of this date, with enclosure, the contents of which are duly noted.

No. 102.

Messrs. Samuel Montagu and Co. to India Office, dated 28th May, 1912.

Unless you have some special reason for it I would urge you most strongly to delay shipping silver for another month, allowing us to deposit it at the Bank and paying us against the receipts. We can then be quietly accumulating without rousing any suspicion, which is bound to accompany the moving of large amounts of silver. I have looked through our bullion letters, and find no reference to the Indian Government's abstention from buying. Possibly your colleague either misread our letter of May 2nd, copy* of which I enclose, or has been quoting from some one else.

No. 103.

India Office to Messrs. Samuel Montagu and Co., dated 28th May, 1912.

Mr. Newmarch is away, for a week or ten days, and in his absence I have opened your letter to him of the 26th, the contents of which I have noted with thanks.

Could you kindly let me know by to-morrow how much you propose to ask us to pay on 1st June, and how much silver will, under present arrangements, have been paid for by us, and be ready for shipment in the P. and O. steamer sailing on 7th June, if we decide to ship on that date? If you could also let me have a statement of the sums falling due for payment by us during the next fortnight I should be much obliged.

I have shown your letter to Mr. Abrahams, and he thinks it will be sufficient if, when you have deposited with the Bank of England any silver bought for us, you will be good enough to send us with the receipt a statement by Messrs. Samuel Montagu and Co. that the silver has been so deposited and is held by them on behalf of the Secretary of State. The statements could be brought to this office by one of your clerks, as you suggest, on the morning of the day on which you desire payment. The clerk should deliver them to our Accountant-General, or the Deputy Accountant General if he is not available.

I understand that your firm will make all arrangements for shipment and insurance on receiving instructions from this office as to date of shipment, the insurance policies and bills of lading being handed over to us as soon as available. I see that in our letter to you of 4th March we mentioned the bills of lading, but not the question of insurance.

Sir Felix Schuster or Mr. Abrahams will communicate with you on the question whether it is necessary that all silver bought by you for us shall be deposited at the Bank of England between the dates of delivery and shipment respectively.

No. 104.

Messrs. Samuel Montagu and Co. to India Office, dated 29th May, 1912.

In reply to your letter of the 28th.

We propose to ask you to pay us about £329,000 on the first of June.

As the position stands at present there will be no more payments due to us for silver until the 14th instant, when we shall claim about £20,000, and between that date and the 24th there will be a further £100,000 or thereabouts.

Should you desire us to commence shipping on the 7th instant, the £329,000 would, of course, be ready for shipment.

We will see that all your instructions are carried out regarding what we are to do with the Bank receipts, and also as to our statements that will accompany them when we deliver them to the Accountant-General or the Deputy Accountant-General. We also confirm what you write as to our firm making all arrangements for shipping and insurance, and handing over to you the policies and bills of lading as soon as they are available.

Until we hear from Sir Felix Schuster or Mr. Abrahams as to whether it is necessary that all silver bought by us for you should be deposited at the Bank of

* Copy will be found in Appendix C.

England between the deliveries and the date of shipment, we do not propose to deposit any further amounts at the Bank unless lack of space in our vaults compels us to do so.

We have already deposited £500,000. This has been done in order to avoid the possibility of the Bank of England having to transfer to the Union Bank, on any particular day, an amount approximating to the value of silver that they received from us on that day.

Naturally we should make no charge for storage of silver that we do not have to send to the Bank. Their charge is as our Mr. Franklin explained to you, fourpence per bar per month.

From what our Mr. Franklin heard from Mr. Abrahams last night, it appears probable that no shipments will be necessary for the present.

No. 105.

Messrs. Samuel Montagu and Co. to India Office, dated 29th May, 1912.

Since writing to you this morning we have seen Sir Felix Schuster, and he calls our attention to a sentence in your letter in which you say, "You will be good enough to send with the receipt a statement by Messrs. Samuel Montagu and Company that the silver has been so deposited, and is held by them on behalf of the Secretary of State."

We did not notice this at the time of writing. Sir Felix has told us that you desire to modify these instructions to the effect that we are to write to you stating that "we (Samuel Montagu and Co.) hold this silver" or, if it is at the Bank of England, "these receipts for silver on behalf of the Secretary of State."

We have taken note of this modification.

As a matter of fact, we shall give you the receipts themselves which we get from the Bank, whenever we deposit the bars, and our statement that we hold the silver for your account when we store it in our own vaults.

No. 106.

India Office to Messrs. Samuel Montagu and Co., dated 29th May, 1912.

I beg to acknowledge receipt of Messrs. Samuel Montagu and Co.'s letter of to-day's date, for which I am much obliged.

The question whether any particular amount, or purchase, of silver shall, pending shipment, be deposited in the Bank of England or be retained in the keeping of your firm will be a matter of decision from time to time by Sir Felix Schuster. In the meantime you may be glad to know that payment will be made to your firm for silver bought on behalf of the Secretary of State in Council either—

(1) On production by the firm of a receipt showing that the silver is at the Bank of England together with a statement by the firm that they (the firm) hold the silver on account of, and at the disposal of, the Secretary of State in Council; or

(2) If the silver is not at the Bank of England, then on production of a statement by the firm that they hold it on behalf of, and at the disposal of, the Secretary of State in Council.

Payment will be made by means of an instruction to the Bank of England to transfer the necessary sum from the account of the Secretary of State in Council to that of the Union of London and Smith's Bank, Limited.

Our Accountant-General wishes me to say that, if it would be equally convenient to you to let us have the receipts and statements, or statements alone, as the case may be, during the afternoon of the day preceding that on which payment is required, it would, for the purposes of his ways and means transactions, be more convenient to him than to receive them on the day itself.

No. 107.

Messrs. Samuel Montagu and Co. to the India Office, dated 30th May, 1912.

We beg to acknowledge your letter of yesterday's date, and are quite in accord with its contents.

We shall, whenever it is possible, let the Accountant-General have the receipts and statements, or statements alone, during the afternoon of the day preceding that on which we require payment.

We propose sending to you to-morrow afternoon receipts for about £250,000, together with our engagement that we have deposited that amount at the Bank of England, and that we hold it for the account of, and at the disposal of, the Secretary of State in Council, and also a statement that we hold a further amount of about £79,000 in our own vaults for the same account. We shall, under the same cover, hand you the numbers on the bars and total weights of the respective parcels.

No. 108.

Messrs. Samuel Montagu and Co. to India Office, dated May 31st, 1912.

In accordance with instructions from the Secretary of State for India in Council we have the pleasure to hand you the enclosed documents, namely :—

(1) A statement setting forth the total weight of 1,946 silver bars deposited in the Bank of England in eight parcels marked, respectively, K, L, M, N, O, P, Q, and S, receipts for which are attached thereto which we undertake to endorse if and when required to do so.

(2) A statement setting forth the total weight of two parcels totalling 509 silver bars stored in our own vaults.

The total weight of the silver bars thus detailed :—

1,946	bars in the Bank of England, weight		2,088,950·5
509	bars in our own vaults, weight		539,077·5
2,455		Total ...	2,628,028

is about 4,000 oz. in excess of the exact equivalent of contracts Nos. 23, 24, 26, 28, 35, 46, 47, 48, 49 and 50, the collective value of which figures out at £329,000.

On each statement we specifically undertake to hold the bars mentioned therein on account of, and at the disposal of, the Secretary of State for India in Council. This undertaking is given against the payment of £329,000, which, as arranged, is to be made by you to the Union Bank of London and Smith's Bank to-morrow, June 1st.

The excess of about 4,000 oz. will, of course, be applied towards the filling of succeeding contracts.

Kindly acknowledge by bearer the receipt of this letter and its contents.

Enclosure 1 in No. 108.

We undertake to hold the above-mentioned bars on account of, and at the disposal of, the Secretary of State for India in Council.

(Signed) SAMUEL MONTAGU AND CO.

Enclosure 2 in No. 108.

We undertake to hold the above-mentioned bars on account of, and at the disposal of, the Secretary of State for India in Council.

(Signed) SAMUEL MONTAGU AND CO.

No. 109.

Messrs. Samuel Montagu and Co. to India Office, dated 31st May, 1912.

We hereby undertake to hold the 1,946 bars invoiced in Statement No. 1 on account of and under the disposal of the Secretary of State for India in Council.

These bars are deposited in the Bank of England.

No. 110.

Messrs. Samuel Montagu and Co. to India Office, dated 31st May, 1912.

We hereby undertake to hold the 509 bars invoiced in Statement No. 2 on account of and at the disposal of the Secretary of State for India in Council.

These bars are stored in our vaults.

No. 111.

Messrs. Samuel Montagu and Co. to India Office, dated 31st May, 1912.

I think that you will find that all the documents which we are sending you to-morrow morning are in order.

I have numbered the contents that are on your slip and added some more that you have omitted. These last ones form the bulk of our present deliveries, as those falling due in May are all postponed for two months.

Evidently our contracts, numbered 1 A and 1 B to 14 A and 14 B, are amongst those which Mr. Newmarch has in his keeping.

The receipt of these has been duly acknowledged to us.

I would call your attention to the fact that the receipts of the Bank of England only require our endorsement to enable the holder to withdraw the bars, and that we have given you, as agreed with the Financial Department, our written undertaking to endorse them if and when we are required to do so.

The only reason that we have omitted to enclose them now is for the sake of safety.

Mr. White, the head of our Bullion Department, will himself call on you with the documents at 10 a.m. to-morrow morning, and any further explanations that you may desire he will be in a position to give you.

No. 112.

Messrs. Samuel Montagu and Co. to India Office, dated 31st May, 1912.

Herewith we hand you the following documents arranged so as to meet your verbal wishes :—

(1) A statement setting forth the contents in standard ounces of 1946 silver bars deposited in the Bank of England whose eight receipts therefor are attached, which we undertake to endorse if and when required. Of these standard ounces a definite amount is applied to fill the remainder of the contracts due to-morrow.

(2) A statement setting forth the contents in standard ounces of 509 silver bars stored in our own vaults. Of these standard ounces a definite amount is applied to fill the remainder of the contracts due, and the small balance is allocated to contract No. 8 which falls due about the middle of June.

(3) A written undertaking to hold the 1,946 bars invoiced in statement (1) on account of and at the disposal of the Secretary of State for India in Council.

(4) A written undertaking to hold the 509 bars invoiced in statement (2) on account of and at the disposal of the Secretary of State for India in Council.

The Contracts completed are Nos. 23, 24, 26, 28, 35, 46, 47, 48, 49 and 50, the collective value of which figure out as £329,000. Commission and charge will be debited at a later date as agreed.

Against the above-mentioned 2,455 silver bars payment will be made as arranged of £329,000 to the Union of London and Smith's Bank to-morrow, June 1st.

Kindly acknowledge by bearer the receipt of this letter and its contents.

No. 113.

India Office to Messrs. Samuel Montagu and Co., dated 1st June, 1912.

With reference to previous correspondence, I am directed by the Secretary of State for India in Council to request that you will be so good as to make further purchases of silver on his behalf up to a value of £250,000, subject to arrangements as to price, date of delivery, &c., to be made in communication between you and Sir Felix Schuster.

No. 114.

India Office to Messrs. Samuel Montagu and Co., dated 1st June, 1912.

I beg to acknowledge the receipt of your letter of 31st ultimo, enclosing eight receipts of the Bank of England for 1,946 bars of silver, also Statements Nos. 1 and 2 giving particulars of weight of the 1,946 bars and of the 509 bars held by you on account of the Secretary of State, also the undertakings relating thereto.

The claim for £329,000 is in order, and I have sent a Write-Off, dated to-day, to the Bank of England, transferring that sum to the account of the Union of London and Smith's Bank.

No. 115.

Messrs. Samuel Montagu and Co. to India Office, dated 3rd June, 1912.

We have to-day purchased for you £30,000 silver at $27^{15}/_{16}$ for payment to-morrow.

We are sending the necessary documents to the Accountant-General.

No. 116.

Messrs. Samuel Montagu and Co. to India Office, dated 3rd June, 1912.

We beg to enclose the necessary documents relating to the purchase of about £30,000 worth of silver.

We are sending the Contract, 51, by this post to the Financial Secretary.

Kindly transfer £30,000 from the Bank of England to the Union of London and Smith's Bank to-morrow, the 4th instant, and send a letter to the Union Bank advising them that this £30,000 is for our credit.

It will be, of course, necessary that the Union Bank should get the money and the letter of advice in Banking hours.

We enclose Statement 3.

No. 117.

Messrs. Samuel Montagu and Co. to India Office, dated 3rd June, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 267 silver bars set out in Statement No. 3.

No. 118.

Messrs. Samuel Montagu and Co. to India Office, dated 4th June, 1912.

We have the pleasure to enclose a contract for £100,000 silver bought to-day at $28^{1}/_{16}$.

We are sending the necessary documents to the Accountant-General, and have asked for the money to be paid into the Union Bank as usual.

No. 119.

Messrs. Samuel Montagu and Co. to India Office, dated 4th June, 1912.

We beg to enclose statement detailing 720 silver bars value £100,839 17s. 3d., and our undertaking relating thereto—also 4 receipts from the Bank of England.

Kindly pay the Union of London and Smith's Bank to-morrow the sum of £100,000.

We think it better not to send a messenger to our office, as he might be observed coming in and out.

An acknowledgment sent by post in a plain envelope is all that is necessary.

No. 120.

Messrs. Samuel Montagu and Co. to India Office, dated 4th June, 1912.

We hereby undertake to hold the 720 silver bars set out in Statement 4 on account of and at the disposal of the Secretary of State for India in Council.

The bars are deposited at the Bank of England.

No. 121.

India Office to Messrs. Samuel Montagu and Co., dated 4th June, 1912.

I beg to acknowledge the receipt of your letter of the 3rd instant, with enclosure, the contents of which are duly noted.

No. 122.

India Office to Messrs. Samuel Montagu and Co., dated 4th June, 1912.

In reply to your letter of the 3rd instant I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 123.

India Office to Union of London and Smiths Bank, dated 4th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £30,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount when received to Messrs. Samuel, Montagu and Co.

No. 124.

India Office to Messrs. Samuel Montagu and Co., dated 5th June, 1912.

In reply to your letter of the 4th instant I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 125.

India Office to Union of London and Smiths Bank, dated 5th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £100,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount when received to Messrs. Samuel Montagu and Co.

No. 126.

Messrs. Samuel Montagu and Co. to India Office, dated 6th June, 1912.

We have to-day purchased for you about £100,000 fine bar silver at 28, according to contract enclosed. This leaves only £20,000 to be bought to complete your present order.

We have communicated with the Accountant-General and are sending him the necessary documents.

No. 127.

Messrs. Samuel Montagu and Co. to the India Office, dated 6th June, 1912.

We have the pleasure to send you enclosed the documents connected with the £100,000 bar silver reported to you by telephone to-day. The bank receipts are in a separate registered letter.

Please pay, as usual, £100,000 to the Union of London and Smiths Bank and inform them that this money is for our account.

No. 128.

Messrs. Samuel Montagu and Co. to the India Office, dated 6th June, 1912.

Enclosed please find seven bank receipts referred to in our letter of to-day's date.

No. 129.

Messrs. Samuel Montagu and Co. to India Office, dated 6th June, 1912.

We hereby undertake to hold on account of, and at the disposal of, the Secretary of State for India in Council the 682 silver bars specified in statement "5" and deposited in the Bank of England.

No. 130.

Messrs. Samuel Montagu and Co. to the India Office, dated 7th June, 1912.

We beg to enclose the necessary documents relating to the delivery of Bank receipts against contract 54 and part of contract 8.

The bank receipts will be sent by this post under registered cover.

Kindly pay, in the usual manner, £20,000 to the Union Bank informing them that it is for our account.

No. 131.

Messrs. Samuel Montagu and Co. to the India Office, dated 7th June, 1912.

Enclosed please find the two bank receipts for bar silver referred to in our letter of to-day's date.

No. 132.

Messrs. Samuel Montagu and Co. to India Office, dated 7th June, 1912.

We hereby undertake to hold on account of, and at the disposal of, the Secretary of State for India in Council the 162 silver bars set out in Statement "6" and deposited in the Bank of England.

No. 133.

India Office to Messrs. Samuel Montagu and Co., dated 7th June, 1912.

In reply to your letter of the 6th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 134.

India Office to Union of London and Smiths Bank, dated 7th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £100,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 135.

Messrs. Samuel Montagu and Co. to India Office, dated 7th June, 1912.

We have the pleasure to enclose a contract for £20,000 fine bar silver, for delivery and payment to-morrow. This completes the last order of £250,000.

No. 136.

India Office to Messrs. Samuel Montagu and Co., dated 8th June, 1912.

In reply to your letter of the 7th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 137.

India Office to Union of London and Smiths Bank, dated 8th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £20,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 138.

Messrs. Samuel Montagu and Co. to India Office, dated 11th June, 1912.

We hereby undertake to hold, on account of and at the disposal of, the Secretary of State for India in Council, the 139 silver bars set out in Statement 7, and deposited in the Bank of England.

No. 139.

Messrs. Samuel Montagu and Co. to India Office, dated 11th June, 1912.

We beg to enclose documents connected with the delivery of £20,000 worth of silver.

Please pay this sum to the Union Bank to-morrow, the 12th instant, and advise them, as usual, that this is for our account.

We post Bank receipt letter E., 139 bars, under registered cover.

No. 140.

Messrs. Samuel Montagu and Co. to India Office, dated 11th June, 1912.

We have already placed at the disposal of the Secretary of State, without payment, £6,667 14*s.* 9*d.* of silver on account of contract 8. You will notice that we invoice the balance of this contract, viz., £13,332 5s. 3d. of silver in statement "7," and the balance, namely, £5,898 11s. 9d., of silver is placed at disposal without payment on account of contract 38.

Herewith Bank receipt.

No. 141.

India Office to Messrs. Samuel Montagu and Co., dated 12th June, 1912.

In reply to your letter of the 11th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smith's Bank.

No. 142.

India Office to Union of London and Smith's Bank, dated 12th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £20,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 143.

Messrs. Samuel Montagu and Co. to India Office, dated 14th June, 1912.

We hereby undertake to hold, on account of and at the disposal of, the Secretary of State for India in Council, the 448 silver bars set out in statement No. 8 and deposited in the Bank of England.

No. 144.

Messrs. Samuel Montagu and Co. to India Office, dated 14th June, 1912.

Herewith please receive three Bank receipts referred to in our letter of even date, namely :—

"G"	...	...	...	...	270	silver	bars.
"G"	...	...	...	...	16	,,	,,
"V"	...	...	...	...	162	,,	,,
					448	,,	,,

No. 145.

Messrs. Samuel Montagu and Co. to India Office, dated 14th June, 1912.

We enclose documents relating to £66,000 of silver delivered on Monday. Bank receipts (3) relating thereto will be posted under separate registered cover.

Kindly pay to the Union of London and Smith's Bank on Monday £66,000, and advise them as usual that it is on our account.

You will observe that with the £5,898 11*s.* 9*d.* worth of silver already placed at your disposal in excess, we now hold on your account £2,192 19*s.* 1*d.* in excess of the new payment of £66,000.

No. 146.

India Office to Messrs. Samuel Montagu and Co., dated 17th June, 1912.

In reply to your letter of the 14th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smith's Bank.

No. 147.

India Office to Union of London and Smith's Bank, dated 17th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £66,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 148.

Messrs. Samuel Montagu and Co. to India Office, dated 17th June, 1912.

Kindly note we shall require for silver about £83,000 on the 22nd instant, and about £269,000 on the 28th instant.

No. 149.

Messrs. Samuel Montagu and Co. to India Office. (Undated.)

Herewith please receive statement 9, and undertaking relating thereto under separate registered cover. You will receive three Bank of England receipts for 495 silver bars.

Against the above please pay the Union Bank to-morrow £70,000, informing them that it is on account of Messrs. Samuel Montagu and Co.

No. 150.

Messrs. Samuel Montagu and Co. to India Office, dated 20th June, 1912.

We hereby undertake to hold on account of, and at the disposal of, the Secretary of State for India in Council the 495 silver bars set out in statement No. 9, and deposited in the Bank of England.

No. 151.

Messrs. Samuel Montagu and Co. to India Office, dated 20th June, 1912.

Herewith please find the three Bank of England receipts referring to statement 9.

No. 152.

Messrs. Samuel Montagu and Co. to India Office, dated 20th June, 1912.

We have much pleasure in acknowledging receipt of your telephonic message, to be followed by a letter which we expect to receive to-morrow, asking us to purchase £250,000 silver for account of the Secretary of State for India.

We have bought to-day about £70,000 at $28\frac{3}{8}$, and have given notice to the Accountant-General that we shall require the money to-morrow against Bank receipts that we are sending him by this evening's mails.

No. 153.

India Office to Messrs. Samuel Montagu and Co., dated 20th June, 1912.

With reference to previous correspondence, I am directed by the Secretary of State for India in Council to request that you will be so good as to make further purchases of silver, gradually, on his behalf, for cash, up to a value of £250,000, subject to reference to Sir Felix Schuster in case of any material change occurring in the price or in the relation between prices for cash and for forward delivery.

No. 154.

Messrs. Samuel Montagu and Co. to India Office, dated 21st June, 1912.

We have duly received your letter with an order for £250,000 silver referred to in ours of yesterday.

We have purchased, further, £45,000, for which we enclose contract.

No. 155.

India Office to Messrs. Samuel Montagu and Co., dated 21st June, 1912.

In reply to your letter of the 20th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 156.

India Office to Union of London and Smith's Bank, dated 21st June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £70,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 157.

Messrs. Samuel Montagu and Co. to India Office, dated 21st June, 1912.

Herewith we hand you the two bank receipts relative to Statement 11.

No. 158.

Messrs. Samuel Montagu and Co. to India Office, dated 21st June, 1912.

Herewith we hand you Statements 10 and 11 relating to silver bars deposited respectively in our vaults and the Bank of England and the undertakings attaching thereto.

Kindly pay to the Union of London and Smiths Bank to-morrow the sum of £128,000 therefor and notify that bank that it is for our account.

Under separate registered cover you will receive two bank receipts in respect of Statement 11.

We cannot say if we shall require any money on Monday next or not at the moment.

No. 159.

Messrs. Samuel Montagu and Co. to India Office, dated 21st June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council the 615 silver bars set out in Statement 10 and deposited in our vaults.

No. 160.

Messrs. Samuel Montagu and Co. to India Office, dated 21st June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council the 470 silver bars set out in Statement 11 and deposited in the Bank of England.

No. 161.

India Office to Messrs. Samuel Montagu and Co., dated 22nd June, 1912.

In reply to your letter of the 21st instant I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 162.

India Office to the Union of London and Smiths Bank, dated 22nd June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £128,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 163.

Messrs. Samuel Montagu and Co. to India Office, dated 24th June, 1912.

Herewith we hand you statements Nos. 12 and 13 and the undertaking relating thereto.

Against the above-mentioned kindly pay to-morrow to the Union of London and Smiths Bank the sum of—

£8,000 }
£89,000 } Ninety-seven thousand pounds;

notifying the Bank that it is on behalf of our firm.

The Bank receipts for those silver bars deposited with the Bank of England will be posted to you under separate registered cover.

No. 164.

Messrs. Samuel Montagu and Co. to India Office, dated 24th June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 194 bars of silver set out in Statement No. 12 and stored in our own vaults, and 516 bars of silver set out in Statement No. 13 and deposited with the Bank of England.

No. 165.

Messrs. Samuel Montagu and Co. to India Office, dated 24th June, 1912.

Herewith please find two Bank receipts relating to State 13 in our letter of even date.

No. 166.

Messrs. Samuel Montagu and Co. to India Office, dated 24th June, 1912.

We have to-day purchased about £80,000 silver for payment to-morrow, and have advised the Accountant-General. This leaves only about £46,000 left of the order for £250,000.

We enclose contract.

P.S.—We enclose a second contract for a further £8,000.

No. 167.

Messrs. Samuel Montagu and Co. to India Office, dated 24th June, 1912.

We beg to enclose contract for £9,000 at $28^{9}/_{16}$ for payment to-morrow against silver kept back Saturday.

No. 168.

India Office to Messrs. Samuel Montagu and Co., dated 25th June, 1912.

In reply to your letter of the 24th instant I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 169.

India Office to Union of London and Smiths Bank, dated 25th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £97,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 170.

Messrs. Samuel Montagu and Co. to India Office, dated 25th June, 1912.

We have to-day purchased £25,000 silver at $28^{7}/_{16}$ per oz. (a fall of $\frac{1}{8}$) and enclose contract.

P.S.—We shall doubtless complete the order to-morrow.

No. 171.

Messrs. Samuel Montagu and Co. to India Office, dated 25th June, 1912.

We have debited you for to-morrow some silver coin, which will work out very favourably for you, as the copper alloy costs you nothing, and is available for recoinage. The assay we have set down at 898 parts fine. The coins, Peruvian and Chilian sols, &c., are nominally 900 fine. We believe you will find that the quality is well within the mark.

P.S.—If the coin should not be desired we will, of course, substitute silver bars with pleasure.

No. 172.

Messrs. Samuel Montagu and Co. to India Office, dated 25th June, 1912.

Herewith we hand you two Bank of England receipts for 266 silver bars detailed in Statement 14.

No. 173.

Messrs. Samuel Montagu and Co. to India Office, dated 25th June, 1912.

We hand you herewith Statement 14 and the undertaking relating thereto. Kindly pay there against the sum of £25,000 to-morrow to the Union Bank of London and Smith's Bank, notifying the Bank that it is for account of ourselves. We have posted two Bank receipts therein referred to under registered cover.

No. 174.

Messrs. Samuel Montagu and Co. to India Office, dated 25th June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the silver bars (266) set out in Statement 14 and deposited with the Bank of England.

No. 175.

Messrs. Samuel Montagu and Co. to India Office, dated 26th June, 1912.

We have to-day purchased £13,000 silver, being the balance of your last £250,000 order.

We have the pleasure of enclosing the contract.

No. 176.

India Office to Messrs. Samuel Montagu and Co., dated 26th June, 1912.

In reply to your letter of the 25th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smith's Bank.

No. 177.

India Office to Union of London and Smith's Bank, dated 26th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £25,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 178.

Messrs. Samuel Montagu and Co. to India Office, dated 26th June, 1912.

Herewith we hand you statement "15," and the undertaking relating thereto. Kindly pay £13,000 there against to the Union of London and Smith's Bank to-morrow advising the Bank that it is made on account of ourselves. A Bank receipt for the 167 silver bars referred to above will be posted to you under separate registered cover.

No. 179.

Messrs. Samuel Montagu and Co. to India Office, dated 26th June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 167 silver bars set out in statement 15 and deposited with the Bank of England.

No. 180.

Messrs. Samuel Montagu and Co. to India Office, dated 26th June, 1912.

Herewith please receive the Bank of England receipt for the 167 silver bars referred to in our letter of even date.

No. 181.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

Herewith we hand you statements Nos. 16, 17, and 18, and undertakings relating thereto.

As we have to consider the capacity of our vaults, you will observe that we have reserved the latitude of holding the bars set out on statement No. 17 either in our own vaults or at the Bank of England.

The Bank receipts specified in statement 16 are posted to you under the separate registered cover.

Against the enclosed documents, kindly pay to-morrow £344,000 to the Union of London and Smith's Bank, notifying them that it is on account of Messrs. Samuel Montagu and Co.

No. 182.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

We hereby undertake to hold on account, and at the disposal of the Secretary of State for India in Council, the 1,718 silver bars set out in statement 16, and deposited at the Bank of England.

No. 183.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 385 silver bars set out in statement No. 17. These bars will be stored either in our vaults or at the Bank of England.

No. 184.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the South American coin weighing £80,088·25, referred to in Statement 18. The silver coin is stored in our vaults.

No. 185.

India Office to Union of London and Smith's Bank, dated 27th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £13,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

(Messrs. Samuel Montagu and Co. informed by telephone, 27th June, 1912.)

No. 186.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

We confirm the telephonic conversation which took place to-day with our Mr. Franklin.

Roughly subject to steamers arriving to the following, silver will fall due at the dates set against the amounts :—

July	5.	£100,000 about.
„	12.	160,000 „
„	18.	90,000 „
„	25.	110,000 „

These amounts are exclusive of any fresh purchases.

No. 187.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

Herewith we hand you the 11 bank receipts relating to Statement " 16 " referred to in our letter of even date.

No. 188.

India Office to Messrs. Samuel Montagu and Co., dated 27th June, 1912.

In continuation of my letter of the 20th June,† I am directed by the Secretary of State for India in Council to request that you will be so good as to make further purchases of silver, gradually, on his behalf, for cash, up to a value of £250,000, subject to reference to Sir Felix Schuster in case of any material change occurring in the price or in the relation between prices for cash and for forward delivery.

No. 189.

Messrs. Samuel Montagu and Co. to India Office, dated 27th June, 1912.

We beg to acknowledge receipt of your letter of to-day's date asking us to buy for account of the Secretary of State for India a further amount of £250,000 silver on the usual conditions.

We have to-day purchased £75,000 as per enclosed contract.

No. 190.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

We have to-day purchased for you £100,000 silver as per contract enclosed.

As stock seems coming out rather freely, we propose holding off the market a little for the present unless you are likely to require further amounts when we have completed this order.

Of course, if you think that you will require more, it would be greatly to your advantage for us to pick up what is offering as the weakness may only be temporary.

No. 191.

India Office to Messrs. Samuel Montagu and Co., dated 28th June, 1912.

In reply to your letter of the 27th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

† *Vide* No. 153, page 34.

No. 192.

India Office to Union of London and Smiths Bank, dated 28th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £344,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 193.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

Herewith we hand you statements 19 and 20 and the undertakings relating thereto. The bank receipt referred to on Statement 19 will be posted to you under separate cover. Kindly pay there against £75,000 to-morrow to the Union of London and Smiths Bank, informing them that it is on our account.

We shall probably require a further £20,000 to-morrow, and therefore also enclose a Statement 21, and post the respective bank receipt with the other above referred to.

Please, however, hold the latter silver, namely, 17 bars, *at our disposal* until you receive a telephone message to-morrow claiming the additional £20,000.

No. 194.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council 176 silver bars set out in Statement 19 and deposited with the Bank of England.

No. 195.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 374 silver bars set out in Statement 20. These bars will be deposited either in our vaults or at the Bank of England.

No. 196.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 148 silver bars set out in Statement 21 and deposited with the Bank of England.

No. 197.

Messrs. Samuel Montagu and Co. to India Office, dated 28th June, 1912.

Herewith please find the two bank receipts referred to in our letter of even date.

No. 198.

India Office to Messrs. Samuel Montagu and Co., dated 29th June, 1912.

In reply to your letter of the 28th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 199.

India Office to Union of London and Smiths Bank, dated 29th June, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £95,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 200.

Messrs. Samuel Montagu and Co. to India Office, dated 1st July, 1912.

Herewith we hand you brokerage account—styled Statement 23—for silver paid for up to the end of the last half-year.

Kindly add the amount, viz., £1,796 5*s*., to your next payment to the Union of London and Smiths Bank on our behalf.

When the delivery of the silver on the " B " contracts is completed we shall render you an account of the brokerage on the postponements, and a statement of the differences relating to the re-sale.

No. 201.

Messrs. Samuel Montagu and Co. to India Office, dated 1st July, 1912.

When you ask us to commence shipping silver we think it would be in your interest to let us know at the beginning of each week how much you will require, so that we may be certain to get the bars out of our place (or the Bank) in good time, and also arrange insurance.

No. 202.

Messrs. Samuel Montagu and Co. to India Office, dated 1st July, 1912.

Herewith please receive Statement No. 22 and the undertaking relating thereto.

Kindly pay *to-day* there against £25,000 to the Union of London and Smiths Bank notifying the Bank that it is made on account of Messrs. Samuel Montagu and Co.

No. 203.

Messrs. Samuel Montagu and Co. to India Office, dated 1st July, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 176 silver bars set out in Statement 22, and either stored in our own vaults or at the Bank of England.

No. 204.

Messrs. Samuel Montagu and Co to India Office, dated 1st July, 1912.

When you ask us to commence shipping silver, we think it would be in your interest to let us know at the beginning of each week how much you will require, so that we may be certain to get the bars out of our place (or the Bank) in good time, and also arrange insurance.

No. 205.

India Office to Messrs. Samuel Montagu and Co., dated 1st July, 1912.

In reply to your letter of to-day instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 206.

India Office to Union of London and Smiths Bank, dated 1st July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £25,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 207.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd July, 1912.

Herewith we send you Statement 24 and the undertaking relating thereto.

We have already placed at the disposal of the Secretary of State our Statement No. 22, £1,818 7*s.* 5*d.* against this, and the above-mentioned Statement 24. Kindly pay to-morrow £40,000 to the Union of London and Smiths Bank, notifying the Bank that it is on account of ourselves. We shall forward the Bank of England receipt for the bars set out in Statement 24 under separate registered cover.

No. 208.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd July, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 281 silver bars set out in Statement 24 and deposited at the Bank of England.

No. 209.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd July, 1912.

We have to-day purchased for you £40,000 silver as per contract enclosed.

No. 210.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd July, 1912.

We have an open policy of insurance with the Indemnity Mutual Marine Assurance Company and the Commercial Union Assurance Company, two companies of the highest standing, to cover £100,000 each on any shipments we make from London or India. If the amount exceeds £200,000, we are accustomed to place the balance with the latter-named company.

We shall be happy to place the advantage of these policies at your disposal, and detail below the way that the charges work out.

£200,000 at 1*s.* 6*d.* per cent.	£150	0	0
Less 10 per cent. on 95 per cent. of pm.	14	0	5
	£132	0	0
Stamp			1
	£132	0	1

Thus we should only charge you the exact cost to which we should be put under the policy.

Kindly let us know if in due course the above charges and companies would meet with your approval.

No. 211.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd July, 1912.

Herewith please receive Bank of England receipt for 281 silver bars, referred to in Statement 24.

No. 212.

India Office to Messrs. Samuel Montagu and Co. dated 3rd July, 1912.

In reply to your letter of the 2nd instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 213.

India Office to Union of London and Smiths Bank, dated 3rd July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £41,796 5*s.* 0*d.* to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 214.

Messrs. Samuel Montagu and Co. to India Office, dated 4th July, 1912.

Herewith we hand you Statement No. 25, and the undertaking relating thereto.

Kindly pay to-morrow thereagainst £125,000 to the Union of London and Smiths Bank, notifying the Bank that the payment is made on account of Messrs. Samuel Montagu and Co.

No. 215.

Messrs. Samuel Montagu and Co. to India Office, dated 4th July, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 1,008 silver bars, at present stored in our own vaults, and duly set out in Statement No. 25.

No. 216.

Messrs. Samuel Montagu and Co. to India Office, dated 4th July, 1912.

We have to-day purchased for you £23,000 silver at $28^{3}/_{16}$.
This leaves but £12,000 to buy to complete your order.

No. 217.

India Office to Messrs. Samuel Montagu and Co., dated 4th July, 1912.

In reply to your letter of the 2nd instant, I am directed to inform you that the rate which you propose to charge for the insurance of silver to be shipped to India on behalf of the Secretary of State for India in Council, and the companies with which you propose to effect insurance, are considered quite satisfactory.

Your letter of the 1st instant will receive attention.

No. 218.

India Office to Messrs. Samuel Montagu and Co., dated 5th July, 1912.

In reply to your letter of the 4th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 219.

India Office to Union of London and Smiths Bank, dated 5th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £125,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 220.

Messrs. Samuel Montagu and Co. to India Office, dated 5th July, 1912.

We have to-day bought for you £12,000 silver, thus completing your last order of £250,000. We enclose contract.

Having now purchased for you the whole £2,000,000 that was suggested when first you gave us an order, we take the opportunity of saying how much we appreciate the confidence that you have placed in us in giving us so much freedom in carrying on the business.

We hope that we have done nothing to show that this confidence was misplaced, and that you are satisfied that we were justified in making those assurances to you that we did at the commencement of the business.

No. 221.

Messrs Samuel Montagu and Co. to India Office, dated 5th July, 1912.

Herewith we hand you Statement "26" and the undertaking relating thereto.

Kindly pay thereagainst to the Union of London and Smiths Bank to-morrow the sum of £12,000, notifying the Bank that the payment is made on account of Messrs. Samuel Montagu and Co.

No. 222.

Messrs Samuel Montagu and Co. to India Office, dated 5th July, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 121 silver bars set out in Statement 26 and at present stored in our vaults.

No. 223.

India Office to Messrs. Samuel Montagu and Co., dated 6th July, 1912.

In reply to your letter of the 5th instant, I forward herewith, for your information, a copy of a letter than has to-day been sent to the Union of London and Smiths Bank.

No. 224.

India Office to Messrs. Samuel Montagu and Co., dated 6th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £12,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 225.

India Office to Messrs. Samuel Montagu and Co., dated 11th July, 1912.

I am directed to acknowledge the receipt of your letter of the 5th instant, reporting the completion of the purchase of silver to the value of £2,000,000 on behalf of the Secretary of State for India in Council. In reply, I am to convey to you his Lordship's cordial thanks for the satisfactory manner in which you have carried out the transaction and the secrecy which has been observed.

No. 226.

Messrs. Samuel Montagu and Co. to India Office, dated 11th July, 1912.

Herewith we hand you Statements No. 27 and 28 and the undertaking relating thereto. Kindly pay to the Union of London and Smiths Bank to-morrow the sum of £159,000 against the enclosed and the part of B. 10 contract already placed at disposal.

Under separate registered cover we shall hand you bank receipts (2) relating to Statement 27.

No. 227.

Messrs. Samuel Montagu and Co. to India Office, dated 11th July, 1912.

We hereby undertake to hold on account and at the disposal of the Secretary of State for India in Council the 673 silver bars set out in Statement No. 28, and stored either in our own vaults or in the Bank of England.

No. 228.

Messrs. Samuel Montagu and Co. to India Office, dated 11th July, 1912.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, the 399 silver bars set out in Statement No. 27 and deposited with the Bank of England.

No. 229.

Messrs. Samuel Montagu and Co. to India Office, dated 11th July, 1912.

Herewith we hand you two bank receipts relating to Statement No. 27.

No. 230.

India Office to Messrs. Samuel Montagu and Co., dated 12th July, 1912.

In reply to your letter of the 11th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 231.

India Office to Union of London and Smiths Bank, dated 12th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £159,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 232.

Messrs. Samuel Montagu and Co. to India Office, dated 17th July, 1912.

We enclose herewith the following Bank of England receipts for bars deposited, details of which have been set out in Statements numbered as below :—

Statement No.	29	O.S.	323	bars.
,,		M.S.	340	,,
,,	28	K	106	,,
,,	22	F	116	,,
,,		XX	60	,,
,,	20	D	218	,,
,,		J	107	,,
,,	17	U	114	,,
		H	161	,,
		L	110	,,

ten receipts in all.

No. 233.

Messrs. Samuel Montagu and Co. to India Office, dated 17th July, 1912.

Herewith we hand you Statement No. 29 and the undertaking relating thereto.

Kindly pay thereagainst to-morrow the sum of £89,000 to the Union of London and Smiths Bank and notify the Bank that it is on account of ourselves.

Under separate registered cover we shall post you the Bank of England receipts for the bars set out in Statement No. 29 and certain other Bank of England receipts for bars mentioned in former statements.

No. 234.

Messrs. Samuel Montagu and Co. to India Office, dated 17th July, 1912.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, the 663 silver bars set out in Statement No. 29 and deposited with the Bank of England.

No. 235.

India Office to Messrs. Samuel Montagu and Co., dated 18th July, 1912.

In reply to your letter of the 17th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 236.

India Office to Union of London and Smiths Bank, dated 18th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £89,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 237.

Messrs. Samuel Montagu and Co. to India Office, dated 24th July, 1912.

Herewith we hand you Bank of England receipts relating to the silver bars set out in Statement No. 31.

No. 238.

Messrs. Samuel Montagu and Co. to India Office, dated 24th July, 1912.

Herewith we hand you Statements No. 31 and No. 32, and undertakings relating thereto. These complete the stock of silver purchased for the Secretary of State for India in Council up to date.

Please pay to-morrow thereagainst the sum of £113,000 to the Union of London and Smiths Bank, notifying the Bank that the payment is made for our account.

We post under registered cover three Bank receipts relating to the above.

We shall send you shortly debit notes for commission, &c., and difference account for the postponed silver.

No. 239.

Messrs. Samuel Montagu and Co. to India Office, dated 24th July, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 440 silver bars set out in Statement No. 31 and deposited with the Bank of England, and also the 399 silver bars set out in Statement No. 32, and at present stored in our own vaults or in the Bank of England.

No. 240.

India Office to Messrs. Samuel Montagu and Co., dated 25th July, 1912.

In reply to your letter of the 24th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 241.

India Office to Union of London and Smiths Bank, dated 25th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £113,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 242.

Messrs. Samuel Montagu and Co. to India Office, dated 25th July, 1912.

Herewith we hand you Statements 30, 33, and 34, and also a detailed statement showing the balance due to us on a final adjustment of account between us up to date.

We shall be glad if you will kindly pay the balance of £5,960 7s. 11d. with the Union of London and Smiths Bank, stating that the payment is made on account of ourselves.

We enclose a Bank of England receipt for 399 bars set out in Statement 32.

Of the total of 14,497 silver bars, 11,227 are deposited with the Bank of England and 3,270 are stored in our own vaults at present.

Dr. to Statement	1	263,888	10	5	Cr. by Statement 30		642,244	12	7
„	2	65,632	6	4	June 1	Cheque	329,000	0	0
„	3	30,253	2	0	„ 4	„	30,000	0	0
„	4	100,839	17	3	„ 5	„	100,000	0	0
„	5	101,212	1	6	„ 7	„	100,000	0	0
„	6	23,841	17	3	„ 8	„	20,000	0	0
„	7	19,230	17	0	„ 12	„	20,000	0	0
„	8	62,294	7	4	„ 17	„	66,000	0	0
„	9	71,675	1	2	„ 21	„	70,000	0	0
„	10	88,827	13	2	„ 22	„	128,000	0	0
„	11	62,053	14	3	„ 25	„	97,000	0	0
„	12	29,829	4	2	„ 26	„	25,000	0	0
„	13	74,037	1	2	„ 27	„	13,000	0	0
„	14	37,975	11	4	„ 28	„	344,000	0	0
„	15	21,789	14	2	„ 29	„	95,000	0	0
„	16	229,319	11	1	July 1	„	25,000	0	0
„	17	55,684	19	10	„ 3	„	41,796	5	0
„	18	9,187	14	4	„ 5	„	125,000	0	0
„	19	25,615	14	2	„ 6	„	12,000	0	0
„	20	51,421	5	4	„ 12	„	159,000	0	0
„	21	20,394	15	10	„ 18	„	89,000	0	0
„	22	24,114	8	6	„ 25	„	113,000	0	0
„	23	1,796	5	0		Balance	5,960	7	11
„	24	39,842	14	1					
„	25	135,491	11	9					
„	26	16,585	14	2					
„	27	60,207	18	9					
„	28	93,364	0	4					
„	29	94,203	15	10					
„	30	620,775	0	0					
„	31	64,000	15	5					
„	32	53,425	0	3					
„	33	705	15	0					
„	34	485	7	4					
		£2,650,001	5	6			£2,650,001	5	6

July 27. To Balance due to S. M. & Co. 5,960 7 11

E. & O. E.,
London,
July 25th, 1912.

No. 243.

India Office to Messrs. Samuel Montagu and Co., dated 26th July, 1912.

In reply to your letter of the 25th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 244.

India Office to Union of London and Smiths Bank, dated 26th July, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £5,960 7s. 11d. to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 245.

India Office to Messrs. Samuel Montagu and Co., dated 31st July, 1912.

I am directed to request that you will be so good as to make further purchases of silver, as favourable opportunity may offer, up to the value of £500,000, on behalf of the Secretary of State for India in Council. You may buy either for cash or for two months' forward delivery as you may consider most advantageous in consultation with Sir Felix Schuster.

No. 246.

Messrs. Samuel Montagu and Co. to India Office, dated 31st July, 1912.

We were informed by Sir Felix Schuster that we are about to receive an order for £500,000 more silver; and were desired by him to commence operations to-day.

We accordingly purchased to-day £30,000 for delivery in two months' time at 27$\frac{7}{8}$ and £30,000 for delivery to-morrow, and enclose contracts therefor.

We are in receipt of your letter of to-day confirming the order referred to above.

No. 247.

Messrs. Samuel Montagu and Co. to India Office, dated 31st July, 1912.

Herewith we hand you Statement No. 35, and an undertaking relating thereto.

Kindly pay to-morrow thereagainst the sum of £30,000 to the Union of London and Smiths Bank, notifying the Bank that the payment is made for account of Samuel Montagu and Co.

No. 248.

Messrs. Samuel Montagu and Co. to India Office, dated 31st July, 1912.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 208 silver bars stored in our vaults at present and set out in Statement No. 35.

No. 249.

India Office to Messrs. Samuel Montagu and Co., dated 1st August, 1912.

In reply to your letter of the 31st instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 250.

India Office to Union of London and Smiths Bank, dated 1st August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £30,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 251.

India Office to Messrs. Samuel Montagu and Co., dated 1st August, 1912.

I beg to acknowledge the receipt of your letter of the 31st July, with enclosures, the contents of which are duly noted.

No. 252.

India Office to Messrs. Samuel Montagu and Co., dated 1st August, 1912.

With reference to recent purchases of silver made by you on behalf of the Secretary of State for India in Council, I am directed to request that you will be so good as to commence shipping the bullion to India next week, consigning it in about equal portion to the Mint Masters at Calcutta and Bombay.

It will be convenient if you can send about £200,000 to each destination weekly, reporting to this Office early in each week the amounts you will ship to each port, and furnishing, in regard to silver to be withdrawn from the Bank of England, the numbers of the Bank's receipts therefor, which will then be returned to you, and in regard to silver to be withdrawn from your own vaults, reference to the statements and claim and accompanying undertakings furnished by you to this Office.

You should hand over to a representative of this Office who will call on you for the purpose all Bills of Lading of silver shipped by you to India, as well as all policies of insurance, which should be endorsed in favour of the Secretary of State for India in Council. You should also supply in duplicate invoices with full particulars of the silver included in each shipment so that the deliveries may be checked against the payments.

No. 253.

Messrs. Samuel Montagu and Co. to India Office, dated 1st August, 1912.

Herewith we hand you Bank of England receipt for 567 silver bars part of Statement 28, for which we have no room in our vaults. Kindly confirm receipt.

No. 254.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd August, 1912.

Herewith we hand you Statement No. 36 and the undertaking relating thereto.

Kindly pay thereagainst for the Union of London and Smiths Bank to-morrow the sum of £100,000, notifying the Bank that the payment is made on account of Messrs. Samuel Montagu and Company.

No. 255.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd August, 1912.

Herewith we hand you contract for £100,000 bar silver purchased to-day for account of the Secretary of State for India.

No. 256.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd August, 1912.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 714 silver bars set out in Statement No. 36 and deposited in our vaults.

No. 257.

India Office to Messrs. Samuel Montagu and Co., dated 2nd August, 1912.

I am directed to acknowledge the receipt of your letter of the 1st instant, enclosing Bank of England receipt No. 000291 for 567 silver bars, part of Statement 28, transferred from your own vaults.

No. 258.

India Office to Messrs. Samuel Montagu and Co., dated 3rd August, 1912.

In reply to your letter of the 2nd instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 259.

India Office to Union of London and Smiths Bank, dated 3rd August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £100,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 260.

India Office to Messrs. Samuel Montagu and Co., dated 3rd August, 1912.

I beg to acknowledge the receipt of your letter of the 2nd instant, with enclosure, the contents of which are duly noted.

No. 261.

Messrs. Samuel Montagu and Co. to India Office, dated 4th August, 1912.

I am writing to you direct in order to save any delay that might occur through my doing so through my partners.

I have been kept posted as to what is being done with regard to further purchases of silver, and I am sure that Mr. Montagu will carry out your orders to your satisfaction.

There is, however, one point to which I would call your attention, and that is in connection with the shipments. My own opinion is that it would be better to postpone *all* shipments until you have accumulated a larger stock, and to buy now almost exclusively for forward delivery. But I suppose that the Government find it necessary to commence coining at once. In this case I would urge on you most strongly the advisability of shipping, at present, only to Bombay, and not anything to Calcutta until the cat is well out of the bag. My reason is this : Bombay is accustomed to receive large consignments almost weekly, and it is very possible that no one will suspect anything unusual is occurring if we send silver there (until it reaches its destination). On the other hand, practically no shipments are ever made to Calcutta, beyond very moderate ones, excepting on behalf of the Indian Government, and I believe that the moment it becomes known that £200,000 is leaving London for that quarter it will be almost impossible to keep the secret any longer.

At any rate, it takes nearly a month from the time you gave us a fresh order to buy coupled with instructions as to shipping, before the first lot (which will be marked S. M., I think), can be claimed by the mint, and in that time you will have been able to get a further million pounds worth of stock.

I am telling my people not to make any arrangements for Calcutta shipments until they hear from you again.

No. 262.

India Office to Messrs. Samuel Montagu and Co., dated 4th August, 1912.

I have just received a letter from Mr. Franklin, in which he suggests that we should defer shipment, or, if shipment now be necessary, that we should ship only to Bombay; and he says that he is telling your firm not to make any arrangements for Calcutta shipments until they hear from us again. I will place his letter before the authorities here first thing to-morrow morning, and will let you know the decision as soon as possible, in any case, I should say by to-morrow afternoon. I presume that that would still give you time to make the necessary arrangements for shipping if it is decided to send any silver out this week.

No. 263.

India Office to Messrs. Samuel Montagu and Co., dated 6th August, 1912.

I am much obliged for your letter of the 4th. It will interest you to know that after further discussion it has been decided to suspend shipments to Calcutta for the present, but to go on with those to Bombay.

No. 264.

Messrs. Samuel Montagu and Co. to India Office, dated 6th August, 1912.

We confirm the conversation by telephone to-day, by which we informed you that Sir Felix Schuster had instructed us to let you know that he had directed us to ship £200,000 bar silver to Bombay.

We also telephoned you that we were insuring the parcel for £206,000 to cover possible movements in the price and the expenses.

No. 265.

Messrs. Samuel Montagu and Co. to India Office, dated 6th August, 1912.

Herewith we have the pleasure to hand you three contracts—one for £15,000 cash, $27^{9}/_{16}$ silver, bought for you on Saturday; two, respectively, for £60,000 cash, $27\frac{5}{8}$, and £20,000 2 mos., $27\frac{3}{4}$, bought to-day.

There has been a hitch with the Commercial Union Insurance Company, who have held back from executing the insurance at 1*s.* 6*d.* on a policy which we understood was still open. We have, therefore, provisionally insured £106,000 with the Ocean Marine Insurance Company, with which is incorporated the North British and Mercantile Insurance Company, at 2*s.* Kindly let us know early to-morrow if you approve. The other £100,000 is insured as arranged with the Indemnity Mutual Company. The rate all round is raised to 2*s.*, but we shall be able to do £100,000 a week with the Indemnity Company.

We have just received another £10,000 at $27\frac{5}{8}$ silver for delivery on the 8th, which we will contract for to-morrow.

No. 266.

Messrs. Samuel Montagu and Co. to India Office, dated 6th August, 1912.

Herewith we hand you Statement 37, and undertaking relating thereto. Kindly pay to the Union of London and Smiths Bank the sum of £75,000 to-morrow, notifying the Bank that the payment is being made on account of Messrs. Samuel Montagu and Co.

We have received instructions to ship £200,000 of silver to Bombay this week, for this purpose we are using silver stored in our vaults. When the shipment is complete the Financial Secretary will receive the list of numbers and weights concerned.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India, the 518 silver bars set out in Statement No. 37, and deposited either in our own vaults or with the Bank of England.

No. 267.

India Office to Messrs. Samuel Montagu and Co., dated 7th August, 1912.

In reply to your letter of the 6th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 268.

India Office to Union of London and Smiths Bank, dated 7th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £75,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 269.

Messrs. Samuel Montagu and Co. to India Office, dated 7th August, 1912.

Herewith we hand you Statement 37 in substitution for that posted yesterday. Kindly return the temporary account.

We also enclose Statement 38, and undertaking relating thereto.

Kindly pay thereagainst the sum of £60,000 to the Union of London and Smith's Bank, notifying it that the payment is made on our behalf.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 436 silver bars set out in Statement 38, and deposited either in our own vaults or at the Bank of England.

No. 270.

Messrs. Samuel Montagu and Co. to India Office, dated 7th August, 1912.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, the 173 silver bars set out in Statement No. 39 and stored in our own vaults or with the Bank of England.

No. 271.

Messrs. Samuel Montagu and Co. to India Office, dated 7th August, 1912.

Herewith we hand you a contract for £10,000 BS. bought for you yesterday at $27\frac{5}{8}$, and one for £50,000 bought to-day at $27^{11}/_{16}$.

No. 272.

India Office to Messrs. Samuel Montagu and Co., dated 7th August, 1912.

I informed Mr. White by telephone this afternoon that you might confirm the arrangement you had provisionally made with the Ocean Marine Insurance Company for the insurance at £106,000 of portion of the silver you are sending to Bombay this week, and I now write to confirm my telephone message.

I understand from Mr. White that I shall hear from your firm to-morrow as to the insurance of future shipments.

No. 273.

Messrs. Samuel Montagu and Co. to India Office, dated 7th August, 1912.

In regard to future shipments of silver insurance, it may be desirable to spread the risk among first class insurance offices.

We suggest the following companies, and should be glad to know if the names meet your approval:—

The Sea Insurance Company;
The Royal Exchange Assurance;
The London Assurance Company;
The Union Marine Insurance Company
(Incorporated with the Phoenix Fire Office).

No. 274.

India Office to Messrs. Samuel Montagu and Co., dated 8th August, 1912.

In reply to your letter of the 7th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 275.

India Office to Union of London and Smiths Bank, dated 8th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £60,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 276.

Messrs. Samuel Montagu and Co. to India Office, dated 8th August, 1912.

Herewith we hand you Statement 38 in substitution for the provisional statement sent yesterday, which please return.

Also provisional Statement 39 and the undertaking relating thereto.

Kindly pay thereagainst the sum of £25,000 to-morrow to the Union of London and Smiths Bank, the sum to be placed to the credit of Messrs. Samuel Montagu and Co.

No. 277.

Messrs. Samuel Montagu and Co. to India Office, dated 8th August, 1912.

Herewith we hand contracts for bar silver as follows:—

£63,000 at $28^{3}/_{16}$ for within a month;
£25,000 ,, $28^{1}/_{16}$ for to-morrow;
£7,000 ,, $28^{3}/_{16}$ for two months.

We have arranged to place £100,000 insurance on our open policy with the Indemnity Mutual Company on each Bombay or Calcutta boat at 1s. 6d., with allowances.

No. 278.

Messrs. Samuel Montagu and Co. to India Office, dated 9th August, 1912.

Herewith we hand you the following documents in duplicate:—

Weight list 98 bars of silver.
,, 207 ,, ,,
,, 49 ,, ,,
,, 1,008 ,, ,,
,, 121 ,, ,,
Summary of above.
Two Policies of Insurance.
Statement No. 40—a debit for expenses.
Five sets of three each of bills of lading for the above, shipped to Bombay per s.s. "Macedonia."

SUMMARY of 1,483 silver bars and one box of assays shipped per s.s. "Macedonia" to Bombay, consisting of bars detailed in Statements.

Part No. 2.	No. 3.	Part No. 20.	No. 25.	No. 26.
Statement.	Number of Bars.	Gross Ounces.	Assay.	Standard Ounces.
Part No. 2	98	106,712·75	999	115,249·77
No. 3	7	8,167	998	8,811·53
	200	232,566·75	999	251,172·09
Part No. 20	49	52,067	999	56,232·36
No. 25	1,008	1,071,191·75	999	1,156,837·09
No. 26	121	130,887·25	999	141,358·23
	1,483	1,601,592·5		1,729,711·07

E. & O.E.,
London, 9th August, 1912.

No. 279.

India Office to Messrs. Samuel Montagu and Co., dated 9th August, 1912.

In reply to your letter of the 8th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 280.

India Office to Union of London and Smiths Bank, dated 9th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £25,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 281.

Messrs. Samuel Montagu and Co. to India Office, dated 9th August, 1912.

Herewith we hand you contract for £35,000 bar silver purchased for you to-day at $28^{1}/_{16}$ payment to-morrow, also £5,000 at $28^{3}/_{16}$ for two months.

No. 282.

Messrs. Samuel Montagu and Co. to India Office, dated 9th August, 1912.

Herewith we hand you Statement 39 in substitution for the provisional statement sent yesterday, which please return.

We also enclose Statement 41, and the undertaking relating thereto.

Kindly pay thereagainst to-morrow the sum of £35,000 to the Union of London and Smiths Bank, notifying the Bank that the payment is made for our account.

Please pay in similarly the charges set out in Statement 40, when duly checked.

Under separate registered cover we post you Bank receipt for 327 silver bars, part of Statement 37.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 223 silver bars set out in Statement 41 and stored in our own vaults or at the Bank of England.

Herewith we hand you a Bank receipt for 327 silver bars, part of Statement 37.

No. 283.

India Office to Messrs. Samuel Montagu and Co., dated 9th August, 1912.

I beg to acknowledge the receipt of your letter of the 8th instant, with enclosures, the contents of which are duly noted.

No. 284.

India Office to Messrs. Samuel Montagu and Co., dated 9th August, 1912.

In continuation of previous correspondence, I am directed to request that, when you have completed the purchase of £500,000 of silver at present in progress, you will be so good as to make further purchases, as favourable opportunity may offer, up to the same amount (viz., £500,000) on behalf of the Secretary of State in Council. You may buy either for cash or for two months' forward delivery, as you may consider most advantageous, in consultation with Sir Felix Schuster.

No. 285.

India Office to Messrs. Samuel Montagu and Co., dated 10th August, 1912.

I am directed to acknowledge the receipt, yesterday, of the following documents relating to the silver consigned by you to Bombay in the P. & O. steamship "Macedonia."

Five bills of lading (three copies of each).

Invoices of	98	silver bars	(Two copies each.)
,,	207	,,	
,,	49	,,	
,,	1,008	,,	
,,	121	,,	

Summary of above invoices :—

Two insurance policies (for £206,000).

A debit of expenses.

No. 286.

India Office to Messrs. Samuel Montagu and Co., dated 10th August, 1912.

I beg to acknowledge the receipt of your letter of the 9th instant, with enclosures, the contents of which are duly noted.

No. 287.

India Office to Messrs. Samuel Montagu and Co., dated 10th August, 1912.

In reply to your three letters of the 9th instant, with enclosures, I forward herewith for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank. Provisional Statement No. 39 is returned as requested.

No. 288.

India Office to Union of London and Smiths Bank, dated 10th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £35,000, £1,246 15*s.* 10*d.*, to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 289.

India Office to Messrs. Samuel Montagu and Co., dated 10th August, 1912.

I have to acknowledge the receipt of your letter of the 7th instant,* in which you say that it may be desirable, in regard to future shipments, to spread the risk among first-class insurance offices, and you mention four offices, for approval.

From our conversations on the telephone I understand that you propose to give the Secretary of State the benefit of your standing arrangement with the "Indemnity Mutual Marine Assurance Company, Limited," under which they insure for you at 1*s.* 6*d.* up to £100,000 per week to Bombay, and to the same amount to Calcutta; and that the proposal in your letter under acknowledgment has reference to the remainder of the risk. I have informed Sir Felix Schuster of the position, and he proposes to discuss the question of the offices to be chosen with your firm on Monday, 13th instant.

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* *Vide* No. 273, page 54.

No. 290.

Messrs. Samuel Montagu and Co. to India Office, dated 12th August, 1912.

Herewith we hand you contract for £35,000 bar silver bought for you to-day at $28\frac{1}{8}$ for cash delivery.

We still have some bids out at time of writing. If any business results we will inform you in the morning.

No. 291.

Messrs. Samuel Montagu and Co. to India Office, dated 12th August, 1912.

Herewith we hand you Statement No. 41 in substitution for the provisional account posted on Friday, which kindly return.

We enclose a provisional Statement No. 42 for silver bought to-day, and undertaking relating thereto. Kindly pay these against the sum of £41,000 to-morrow at the Union of London and Smiths Bank on account of Messrs. Samuel Montagu and Co.

We hereby undertake to hold, on account of, and at the disposal of, the Secretary of State for India in Council, the 300 silver bars set out in Statement No. 42, and stored in our own vaults or with the Bank of England.

No. 292.

Messrs. Samuel Montagu and Co. to India Office, dated 12th August, 1912.

Herewith we hand you contract for £6,000 silver bought for you on the 10th instant at $28^{3}/_{16}$.

No. 293.

Messrs. Samuel Montagu and Co. to India Office, dated 13th August, 1912.

Herewith we hand you contract for £10,000 silver bought for you to-day at $28\frac{3}{8}$, also contracts for £41,000 silver sold for you for cash to-morrow at $28^{5}/_{16}$ and rebought for about two months ahead at $28\frac{3}{8}$ by instructions of Sir Felix Schuster.

We have informed the Accountant-General that we shall require £41,000 to-morrow.

No. 294.

India Office to Messrs. Samuel Montagu and Co., dated 13th August, 1912.

In reply to your letter of the 12th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank. Provisional Statement No. 41 is returned herewith as requested.

No. 295.

India Office to Union of London and Smiths Bank, dated 13th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £41,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 296.

Messrs. Samuel Montagu and Co. to India Office, dated 13th August, 1912.

As arranged by telephone we shall pay you to-morrow through the Union of London and Smiths Bank £41,000 for the silver delivered to you to-day.

Kindly return Statements 41 and 42, and substitute for the former the enclosed fresh Statement 41.

We enclose Bank receipts (3) as follows:—

For	112	bars	marked	N	part of Statement	38
	173	„	„	AE	whole „	39
	223	„	„	AD	„ „	41

No. 297.

India Office to Messrs. Samuel Montagu and Co., dated 13th August, 1912.

I beg to acknowledge the receipt of your two letters of the 12th instant, with enclosures, the contents of which are duly noted.

No. 298.

India Office to Messrs. Samuel Montagu and Co., dated 14th August, 1912.

I have to acknowledge the receipt of your letter of the 13th instant, with its enclosures, and I note that the sum of £41,000 will be paid to-day into the Bank of England through the Union of London and Smiths Bank, Ltd.

The Statements Nos. 41 and 42 (provisional) with the undertakings relating thereto are returned herewith as requested.

No. 299.

Messrs. Samuel Montagu and Co. to India Office, dated 14th August, 1912.

Herewith we hand you contract for £120,000 silver delivery in 2 months at $28^{7}/_{16}$.

No. 300.

Messrs. Samuel Montagu and Co. to India Office, dated 14th August, 1912.

Herewith we hand you Statement No. 42 and the undertaking relating thereto. Kindly pay there against to-morrow the sum of £5,000 to the Union of London and Smiths Bank notifying the Bank that the payment is made on our account.

We forward under separate registered cover a Bank Receipt for 208 silver bars set out in Statement No. 35.

In returning Statement No. 42 previously sent to you and now cancelled, kindly return at the same time the undertaking relating thereto.

We hereby undertake to hold on account of and at the disposal of the Secretary of State for India in Council the 18 silver bars set out in Statement No. 42 and at present stored in our own vaults.

No. 301.

Messrs. Samuel Montagu and Co. to India Office, dated 14th August, 1912.

Since writing our letter of even date we have received the cancelled Statements Nos. 41 and 42, and two undertakings relating thereto.

That referring to No. 41 is still substantive and we return it to you herewith.

Herewith we hand you Bank of England receipt for 208 silver bars set out in Statement 35.

No. 302.

India Office to Messrs. Samuel Montagu and Co., dated 15th August, 1912.

In reply to your letter of the 14th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 303.

India Office to Union of London and Smiths Bank, dated 15th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £5,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 304.

Messrs. Samuel Montagu and Co. to India Office, dated 15th August, 1912.

Herewith we hand you contracts for silver as follows:—

£30,000 at 28¾ for to-morrow;
£15,000 at 28⅝ for October 15.

Also contracts of postponement of £10,000 bar silver for one month, showing 1/16d. difference in your favour.

No. 305.

Messrs. Samuel Montagu and Co. to India Office, dated 15th August, 1912.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, the 199 silver bars set out in Statement No. 42 and stored in our vaults or with the Bank of England.

No. 306.

Messrs. Samuel Montagu and Co. to India Office, dated 15th August, 1912.

Herewith we hand you Statement 43 and our undertaking relating thereto.

Kindly pay there against the sum of £30,000 to the Union of London and Smiths Bank, notifying the bank that the payment is made on behalf of Messrs. Samuel Montagu and Co.

No. 307.

India Office to Messrs. Samuel Montagu and Co., dated 15th August, 1912.

I have to acknowledge the receipt of your letter of the 14th instant enclosing Bank of England receipt for 208 silver bars set out in Statement No. 35.

I have also to acknowledge, with thanks, the return of undertaking relating to Statement No. 41 enclosed in your letter of the same date.

No. 308.

India Office to Messrs. Samuel Montagu and Co., dated 16*th August*, 1912.

In reply to your letter of the 15th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 309.

India Office to Union of London and Smiths Bank, dated 16*th August*, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £30,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 310.

India Office to Messrs. Samuel Montagu and Co., dated 16*th August*, 1912.

With reference to previous correspondence, I am directed to request that you will be good enough to make arrangements for the shipment to India of the following amounts of silver on the 23rd instant, viz.:—

To Bombay, £500,000 (five hundred thousand pounds);
To Calcutta, £250,000 (two hundred and fifty thousand pounds).

No. 311.

India Office to Messrs. Samuel Montagu and Co., dated 16*th August*, 1912.

In continuation of my letter of the 10th instant, I am directed to inform you that you have authority to insure the shipments of silver on the 23rd instant with the offices mentioned in your letter of the 7th instant (with the exception, as intimated to you by Sir Felix Schuster, of the Sea Insurance Co.) and with the Indemnity Mutual Marine Assurance Co., Ltd.

It is understood that you will give the Secretary of State in Council the benefit of the standing arrangement between your firm and the company last mentioned, to which I referred in my previous letter.

No. 312.

India Office to Messrs. Samuel Montagu and Co., dated 16*th August*, 1912.

I beg to acknowledge the receipt of your letters of the 13th, 14th, and 15th instant, with enclosures, the contents of which are duly noted.

No. 313.

Messrs. Samuel Montagu and Co. to India Office, dated 16*th August*, 1912.

We enclose a contract for :—

£234,000 silver for delivery two months at $28^{13}/_{16}$.

We are endeavouring to arrange a nearer delivery, about one month; if so we will replace contracts for the amount we can do, at the cash price of to-day.

No. 314.

Messrs. Samuel Montagu and Co. to India Office, dated 17th August, 1912.

Enclosed you will find a list of the Bank receipts, which kindly let us have by hand early on Monday morning, when we can acknowledge receipt under the firm's signature.

No. 315.

Messrs. Samuel Montagu and Co. to India Office, dated 19th August, 1912.

Herewith we hand you contracts for bar silver bought on Saturday :—
£40,000 at $29\frac{1}{8}$ for about one month.
£10,000 at $28^{13}/_{16}$ for about two months.

No. 316.

Messrs. Samuel Montagu and Co. to India Office, dated 19th August, 1912.

Herewith we hand you Statement 44, and the undertaking relating thereto. Kindly pay thereagainst the sum of £32,800 to the Union of London and Smiths Bank to-day, notifying the Bank that the payment is made on account of Messrs. Samuel Montagu and Co.

P.S.—We also hand you Statement 45, showing a balance in your favour of £187 1s. 1d., which can be deducted from our debit note this week for charges connected with shipment.

We hereby undertake to hold, for account of, and at the disposal of, the Secretary of State for India in Council, the 249 silver bars set out in Statement No. 44, and stored in our vaults.

No. 317.

India Office to Messrs. Samuel Montagu and Co., dated 19th August, 1912.

In reply to your letter of to-day instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 318.

India Office to Union of London and Smiths Bank, dated 19th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £32,800 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 319.

Messrs. Samuel Montagu and Co. to India Office, dated 21st August, 1912.

As arranged by telephone, we enclose a memorandum of 701 silver bars, which we undertake to hold on account of the Secretary of State for India in substitution for the 647 bars for which you hold Bank receipts.

Kindly hand these said receipts to bearer; the details are set out in the memorandum enclosed.

There will be a balance over and above the silver represented by these receipts, contained in the 701 silver freshly placed at your disposal, this balance, when ascertained, will be debited you on a succeeding statement.

And the bars have not yet been checked through our scales, otherwise we could issue a definitive statement.

No. 320.

Memorandum.

No. of Bars.	Marks and Nos.	Gross Ounces.	
300	B 1/300	314,828.25	
401	C 1/401	427,000	(approximate)
701		741,828.25	

the equivalent of which we guarantee to be at least oz. std. 801,000

Kindly hand bearer bank receipts for 647 bars, aggregating standard ounces, 777,229.67, as detailed below :—

Statement No.	Number of Bars.	Bank Receipt Mark.	Gross Ounces.	Standard Ounces.
1	132	P	144,054.5	155,536.40
6	95	R	108,782.25	117,323.69
13	272	J	302,185	326,264.84
16	88	Y	99,915	107,867.75
22	60	✠	65,034.25	70,236.99
			719,971	777,229.67

E. and O. E.
London, 21st August, 1912.

No. 321.

Messrs. Samuel Montagu and Co. to India Office, dated 21st August, 1912.

Received five Bank of England receipts for six hundred and fifty-seven silver bars, as detailed below :—

Receipt.	Number of Bars.
P	132
R	95
J	272
Y	88
✠	60
	647

No. 322.

Messrs. Samuel Montagu and Co. to India Office, dated 23rd August, 1912.

Kindly send us by hand to-morrow the following bank receipts in readiness for next two weeks' shipments :—

Statement 1 :	Mark	M.	...	328	bars.
,, ,,	,,	N.	...	150	,,
,, ,,	,,	O.	...	220	,,
,, ,,	,,	Q.	...	103	,,
,, 4 :	,,	S.	...	383	,,
,, ,,	,,	A.	...	138	,,
,, ,,	,,	B.	...	380	,,
,, ,,	,,	C.	...	68	,,
,, ,,	,,	D.	...	134	,,
,, 16 :	P.P.	P.P.	...	100	,,
,, ,,	,,	T.T.	...	167	,,
,, ,,	,,	U.U.	...	84	,,
,, ,,	,,	V.V.	...	71	,,
,, 19 :	,,	X.X.	...	176	,,
,, 20 :	,,	J.	...	107	,,
,, ,,	,,	D.	...	218	,,
,, 21 :	,,	W.W.	...	148	,,
,, 22 :	,,	F.	...	116	,,
,, 24 :	,,	J.J.	...	281	,,

Nineteen receipts in all.

No. 323.*

Messrs. Samuel Montagu and Co. to India Office, dated 23rd August, 1912.

Received from the Accountant-General for India the following bank receipts :—

Statement 1 :	Mark	M.	...	328	bars.
,, ,,	,,	N.	...	150	,,
,, ,,	,,	O.	...	220	,,
,, ,,	,,	Q.	...	103	,,
,, 4 :	,,	S.	...	383	,,
,, ,,	,,	A.	...	138	,,
,, ,,	,,	B.	...	380	,,
,, ,,	,,	C.	...	68	,,
,, ,,	,,	D.	...	134	,,
,, 16 :	,,	P.P.	...	100	,,
,, ,,	,,	T.T.	...	167	,,
,, ,,	,,	U.U.	...	84	,,
,, ,,	,,	V.V.	...	71	,,
,, 19 :	,,	X.X.	...	176	,,
,, 20 :	,,	J.	...	107	,,
,, ,,	,,	D.	...	218	,,
,, 21 :	,,	W.W.	...	148	,,
,, 22 :	,,	F.	...	116	,,
,, 24 :	,,	J.	...	28	,,

No. 324.

India Office to Messrs. Samuel Montagu and Co., dated 23rd August, 1912.

I beg to acknowledge the receipt of your two letters of the 16th and 19th instant, with enclosures, the contents of which are duly noted.

No. 325.

India Office to Messrs. Samuel Montagu and Co., dated 23rd August, 1912.

In continuation of my letter of the 10th instant,* regarding the insurance of the shipments of silver to be made to-day, I am directed to inform you that the same arrangements may be adopted for the insurance of the shipments to be made next week. Instructions as to subsequent shipments will be sent to you in due course.

No. 326.

India Office to Messrs. Samuel Montagu and Co., dated 23rd August, 1912.

With reference to my conversation yesterday with Mr. Gerald Montagu, I am directed to request that you will be good enough to arrange for the shipment of £250,000 of silver to Bombay, and of the same amount to Calcutta by steamers leaving London next week. Instructions as to subsequent shipments will be sent to you in due course.

No. 327.

India Office to Messrs. Samuel Montague and Co., dated 23rd August, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. s.s. "Morea," sailing to-day, and to Calcutta in the B.I.S.N.Co. s.s. "Colaba," also sailing to-day :—

20 Bills of Lading (three copies of each).

Invoices of	430	bars of silver	consigned to	Bombay
,,	200	,,	,,	,,
,,	411	,,	,,	,,
,,	284	,,	,,	,,
,,	615	,,	,,	,,
,,	194	,,	,,	,,
,,	244	,,	,,	,,
,,	171	,,	,,	,,
,,	139	,,	,,	,,
,,	174	,,	,,	,,
,,	237	,,	,,	,,
,,	128	,,	,,	,,
,,	18	,,	,,	,,
,,	199	,,	,,	,,
	3,444			

} Three copies of each.

Summary of above Invoices.

Invoices of	68	bars of silver	consigned to	Calcutta
,,	67	,,	,,	,,
,,	139	,,	,,	,,
,,	158	,,	,,	,,
,,	272	,,	,,	,,
,,	198	,,	,,	,,
,,	95	,,	,,	,,
,,	167	,,	,,	,,
,,	100	,,	,,	,,
,,	129	,,	,,	,,
,,	399	,,	,,	,,
	1,792			

} Three copies of each.

Summary of above invoices.

Nine Insurance Policies (for £772,500).

Two Statements of Expenses.

* *Vide* No. 289, page 57.

Memorandum.

No. of Bars.	Nos. on Bars.	Gross Ounces.	
300	B. 1/300	314,828.25	
401	O. 1/401	427,106.25	
	S.P. 594/762		
221	Y.P. 863/914	257,447.25	
39	890/928	43,282.25	
129	I.P. 193/321	150,700	approximate
1,090		1,195,364	

the equivalent of which we guarantee to be at least ozs. std. 1,290,500.

The above 1,090 bars are substituted for the 1,076 bars weighing ozs. std. 1,290,486.24 as detailed below :—

Statement No.	Number of Bars.	Bank Receipt Mark.	Gross Ounces.	Standard Ounces.
1	132	P	144,054·5	155,536·40
6	95	R	108,782·25	117,323·69
13	272	J	302,185	326,264·84
16	88	Y	99,915	107,867·75
22	60	⊠	65,034·25	70,236·99
21	148	W.W	160·431	173·265·48
24	281	J	314,991·75	339,991·09
	1,076		1,195,393·75	1,290,486·24

E. and O. E.

London, 26th August, 1912.

No. 328.

India Office to Messrs. Samuel Montagu and Co., dated 24th August, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 329.

India Office to Union of London and Smiths Bank, dated 24th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £4,466 8s. 2d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 330.

Messrs. Samuel Montagu and Co. to India Office, dated 26th August, 1912.

Herewith we hand you Statements 48 and 49, showing a balance in our favour of £282 7s. 5d., which kindly pay in as usual.

We also hand you a memorandum in substitution of that last sent you, by which we hold, on account of and at the disposal of the Secretary of State for India, certain silver bars more suited for coinage than others specified on the memorandum.

No. 331.

Messrs. Samuel Montagu and Co. to India Office, dated 26th August, 1912.

Enclosed you will find a letter from the agents of the British India Steam Navigation Company with regard to the clerical error which they made on one of the bills of lading for delivery per s.s. " Colaba."

I have no doubt that the slip will cause no trouble on the other side at all.

If you refer to to-day's copy of the " Financial Times," you will find an article of mine in regard to the Indian currency which may interest you.

No. 332.

Messrs. Gellatly, Hankey and Co. to Messrs. Samuel Montagu and Co., dated August 26th, 1912.

S.S. " Colaba " to Calcutta.

Referring to bill of lading, No. 427, for 229 bars silver, value £33,000, we regret that through a clerical error the Nos. 11887/922 have been entered on your copies as 11887/992.

Our manifest and copy bill of lading are correct, so that there will be no difficulty on the other side.

No. 333.

Messrs. Samuel Montagu and Co. to India Office, dated 27th August, 1912.

Herewith we hand you Statement 48 and undertaking relating thereto. Kindly pay these against *to-day* £30,000 and *to-morrow* £15,000 to the Union of London and Smiths Bank, notifying the Bank that the payment is made on account of Samuel Montagu and Co.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, the 331 silver bars set out in Statement 48 and deposited in our own vaults.

No. 334.

India Office to Messrs. Samuel Montagu and Co., dated 27th August, 1912.

In reply to your letter of this day, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 335.

India Office to Union of London and Smiths Bank, dated 27th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £30,282 7s. 5d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 336.

Messrs. Samuel Montagu and Co. to India Office, dated 27th August, 1912.

Herewith we hand you Statement No. 50 in substitution for 48A and an undertaking for the bars in 48A and the bars added thereto, against which please pay to the Union of London and Smiths Bank to-morrow an additional £20,000. Kindly return the Statement 48A and the undertaking relating thereto.

We hereby undertake to hold, on account of and at the disposal of the Secretary of State for India in Council, 477 silver bars set out in Statement 50 and stored in our vaults.

No. 337.

India Office to Messrs. Samuel Montagu and Co., dated 28th August, 1912.

In reply to your letter of the 27th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank. Provisional Statement No. 48A, with undertaking relating thereto is enclosed as requested.

No. 338.

India Office to Union of London and Smiths Bank, dated 28th August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer $\begin{matrix}£15,000\\£20,200\end{matrix}$ to your Bank from the account of the Secretary of State in Council of India, I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 339.

Messrs. Samuel Montagu and Co. to India Office, dated 28th August, 1912.

Kindly hand bearer Bank receipt for 208 silver bars, mark A.F., Statement 35, which bars we require for shipment.

No. 340.

Messrs. Samuel Montagu and Co. to India Office, dated 28th August, 1912.

Enclosed we hand you contract for £10,000 bar silver bought to-day at $28\frac{3}{8}$ per L.S.D. for London delivery.

No. 341.

Messrs. Samuel Montagu and Co. to India Office, dated 28th August, 1912.

Herewith definitive memorandum of substitution relating to 1,090 silver bars, the bulk of which are electrolytically refined. We have shipped these as more suitable to your purpose than the 1,076 silver bars detailed on the above-mentioned memorandum.

You will observe that with 4,081·95 ozs. brought forward from Statement 50, there are now 4,560·29 standard ozs. to debit you on the next statement.

Please return the provisional memorandum.

MEMORANDUM OF SUBSTITUTION.

Number of Bars.	Nos. on Bars.	Gross Ounces.	Standard Ounces.
Brought forward from Statement Number 50.			4,081·95
300	B 1/300	314,828·25	801,289·26
401	C 1/401	427,106·25	
221	Y.O 863/914	257,447·25	440,819·55
129	I.P 193/321	250,719	
39	890/928	45,282·25	48,855·87
1,090		1,195,383	1,295,046·63
In substitution of the 1,076 bars as detailed below, weighing std. ozs.			1,290,486.24
Balance to be appropriated on next Statement			4,560.39

Statement No.	Number of Bars.	Bank Receipt.	Gross Ounces.	Standard Ounces.
1	132	P	144,054·50	155,536·40
6	95	R	108,782·25	117,323·69
13	272	J	302,185	326,264·84
16	88	Y	99,915	107,867·75
22	60	⊠	65,034·25	70,236·99
21	148	W.W	160,431	173,265·48
24	281	J	314,991·75	339,991·09
	1,076		1,195,393·75	1,290,486·24

E. & O. E.,
London, 28th August, 1912.
Samuel Montagu and Co.

No. 342.

India Office to Messrs. Samuel Montagu and Co., dated 28th August, 1912.

In continuation of my letter of the 23rd instant,* I am directed to request that you will be good enough to arrange for shipments hence forward, if practicable, of £250,000 of silver weekly to Bombay, and of the same amount to Calcutta.

No. 343.

India Office to Messrs. Samuel Montagu and Co., dated 28th August, 1912.

In continuation of my letter of the 23rd instant,† I am directed to inform you that you have authority, subject to further notice, to insure the remaining shipments of silver, on the conditions already agreed to in the previous letters from this office, with the following offices:—

Indemnity Mutual Marine Assurance Company, Limited.
Commercial Union Insurance Company, Limited.
Royal Exchange Assurance.
The London Assurance Company.
The Union Marine Insurance Company.

* *Vide* No. 325, page 65.

† *Vide* No. 326, page 65.

No. 344.

India Office to Messrs. Samuel Montagu and Co., dated 28th August, 1912.

In continuation of previous correspondence, I am directed to request that you will be so good as to make further purchases of silver, as favourable opportunity may offer, up to the amount of £500,000, on behalf of the Secretary of State in Council. You may buy either for cash or for forward delivery as you may consider most advantageous, in consultation with Sir Felix Schuster.

No. 345.

Messrs. Samuel Montagu and Co. to India Office, dated 29th August, 1912.

We acknowledge with many thanks your letter of yesterday's date with a fresh order for £500,000 silver.

You can rely on our doing our very best to purchase this amount to your best advantage.

No. 346.

Messrs. Samuel Montagu and Co. to India Office, dated 29th August, 1912.

Herewith we hand contract for £20,000 silver bought for you to-day at 28$^{9}/_{16}$ delivery in London.

We duly received your two letters relating to shipment and insurance which are both duly noted.

No. 347.

Messrs. Samuel Montagu and Co. to India Office, dated 29th August, 1912.

Kindly return us the following Bank receipts for silver, which will be required for next week's shipments :—

Statement	17	for	161	bars	marked H.
,,	28	,,	106	,,	K.
,,	5	,,	69	,,	C.C.
,,	29	,,	323	,,	C.S.
,,	31	,,	75	,,	K.
,,	5	,,	134	,,	A.A.
,,	5	,,	101	,,	B.B.
,,	5	,,	136	,,	E.E.
,,	41	,,	223	,,	A.D.
,,	34	,,	112	,,	N.

We agree the insertion of S.P. 594/762 on the Memorandum of substitution.

You can send for shipping documents to-morrow at 11 a.m.

No. 348.

Messrs. Samuel Montagu and Co. to India Office, dated 30th August, 1912.

Received *Ten* Bank of England receipts for *Fourteen hundred and forty* silver bars, as detailed below :—

Bank Receipt.	Number of Bars.
H.	161
K.	106
C.C.	69
C.S.	323
K.	75
A.A.	134
B.B.	101
E.E.	136
A.D.	223
N.	112
	1,440

No. 349.

Messrs. Samuel Montagu and Co. to India Office, dated 30th August, 1912.

Herewith we hand you contracts for bar silver to-day, as follows :—

Sold for you £10,000 at $28^{13}/_{16}$ for September 15th.
Bought for you £10,000 at $28^{11}/_{16}$ for October 30th.
„ „ £100,000 at $28^{13}/_{16}$ in Sycee.
„ „ £100,000 „ British $.

The first contract was explained to you by telephone by our Mr. Franklin.

No. 350.

India Office to Messrs. Samuel Montagu and Co., dated 30th August, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. s.s " Egypt," sailing to-day, and to Calcutta in the P. & O. s.s. " Somali," sailing to-morrow :—

Nine Bills of Lading.

Invoice of	68	bars of silver	consigned to	Bombay
„	84	„	„	„
„	71	„	„	„
„	167	„	„	„
„	100	„	„	„
„	218	„	„	„
„	107	„	„	„
„	116	„	„	„
„	401	„	„	„
„	549	„	„	„

Three copies of each.

Summary of above invoices.

Invoice of	103	bars of silver	consigned to	Calcutta
„	328	„	„	„
„	220	„	„	„
„	383	„	„	„
„	208	„	„	„
„	191	„	„	„
„	129	„	„	„
„	221	„	„	„
„	39	„	„	„

Three copies of each.

Summary of above invoices.
Six Insurance Policies (for £515,000).
Two Statements of Expenses.

No. 351.

India Office to Messrs. Samuel Montagu and Co., dated 30th August, 1912.

I beg to acknowledge the receipt of your letters of the 28th and 29th instant, with enclosures, the contents of which are duly noted.

No. 352.

India Office to Messrs. Samuel Montagu and Co., dated 31st August, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 353.

India Office to Union of London and Smiths Bank, dated 31st August, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £3,083 4s. 0d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 354.

India Office to Messrs. Samuel Montagu and Co., dated 31st August, 1912.

When we bought sycee silver and dollars in 1907, we did so subject to certain conditions. Various exchange banks with which we then did business in this way are aware of these conditions; but I do not know whether Sir Felix Schuster has mentioned them to you or whether, therefore, you were in a position to require them of your correspondents when you were making your bargains yesterday. I append a *statement of the conditions in question. You will agree, I think, that they are reasonable, for when the sycee arrives, a certain amount of time and labour has to be expended by the Mint Authorities before its exact value can be ascertained. If, as I presume, you were not aware of these conditions, would it be too late now to ask that they should be complied with?

I asked Mr. White this morning if the contract notes relating to purchases of sycee and dollars might be marked "A," "B," "C," &c., instead of the ordinary numbers; as, if this is done, I can keep them apart from the others which go to the clerks in our Accountant-General's Department. He agreed to this, and also to the renumbering accordingly of one of the (ordinary) contract notes for £10,000.

Would it be troubling you to let me know the date of sailing from China, port of destination, and probable date of arrival of the sycee and dollars?

**Statement of the Conditions.*

That the standard of fineness should be 990 except in the case of—

(1) Sycee silver, whose fineness usually ranges from 982 to 986, and which may be accepted if above 980 fine;

(2) Coins of civilised Governments (including Mexican dollars, &c.), which may be accepted down to 800 fine;

but that the purchase of the above classes of silver should be subject to the conditions—

(*a*) That in the case of sycee silver and of coins (including British and American dollars) not purchased by the Secretary of State at invoiced weight and assay fineness, the seller should agree—

(1) to accept the Mint weight after pre-melting;

(2) to accept the fineness as reported by the Assay Master, and

(3) to pay the cost of pre-melting, amounting to Rs. 40 per lakh of tolas pre-melted;

(*b*) That in the case of coins other than British and Mexican dollars, sufficient fine silver should be provided to raise the fineness to the Indian standard.

(N.B.—The tola=180 grains, the weight of a rupee, which contains 165 grains of fine silver and 15 grains of alloy.)

Method of Payment.

75 per cent. of the estimated value on receipt of telegraphic information from India that the silver had been received.

20 per cent. on completion of weighing.

5 per cent. on completion of refining.

No. 355.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd September, 1912.

We have the pleasure to enclose five contracts, numbered 94, 95, 96 C and D, of which 94 represents silver retained for you Saturday.

The Mexican dollars were bought at $28\frac{1}{8}$ per ounce, *not* per ounce standard, and are to be shipped from London.

We have arranged with the shippers of the sycee and British dollars that are to go direct from China, that they conform to the conditions arranged in 1907. The Mexican dollars, however, are an actual purchase and are on a different basis. Our Mr. Franklin will explain this to you this evening when he calls.

You will notice that the purchase has somewhat exceeded the £500,000, but Sir Felix Schuster instructed us to buy a further £500,000. We have kept him informed of all details.

No. 356.

India Office to Messrs. Samuel Montagu and Co., dated 3rd September, 1912.

In continuation of my letter of 28th August,* I am directed to request that you will be so good as to make further purchases of silver, as favourable opportunity may offer, up to the amount of £500,000, on behalf of the Secretary of State in Council. You may buy either for cash or for forward delivery, as you may consider most advantageous, in consultation with Sir Felix Schuster.

No. 357.

Messrs. Samuel Montagu and Co. to India Office, dated 3rd September, 1912.

We have the pleasure to hand contracts for silver purchased to-day as follows:—

£100,000 sycee at $28\frac{7}{8}$ p. £ s. d.
£50,000 British at $28\frac{7}{8}$ p. £ s. d.
£10,000 fine silver at $28\frac{3}{4}$, 2 mos.

No. 358.

India Office to Messrs. Samuel Montagu and Co., dated 3rd September, 1912.

Could you kindly let me know by telephone to-morrow what procedure you propose as regards the *bills of lading* of the sycee silver and British dollars. Will it be necessary for the Hongkong and Shanghai Bank to know the destination of the silver before it starts; as, if so, we shall have to ask India at once. So far as consigning the silver is concerned, this is not necessary, I understand, but what about the *bills of lading?*

No. 359.

Messrs. Samuel Montagu and Co. to India Office, dated 4th September, 1912.

You will notice that we send you a contract for the sale of £50,000 of your silver.

Probably Sir Felix Schuster will have explained to you our reason for this. In any case the effect was that not only did we prevent the price from going beyond $28^{15}/_{16}$, but we appeared at "fixing" as substantial *sellers* in spite of the fact that we secured for you £130,000 on balance.

We propose asking the Union Bank to transfer to the Bank of England for your credit this amount (£50,000) on receipt of which you will give us a letter releasing an equivalent amount from what we hold, either at the Bank of England or for your account.

We trust that this method of settlement will be convenient to you.

* *Vide* No. 344, page 70.

No. 360.

Messrs. Samuel Montagu and Co. to India Office, dated 4th September, 1912.

We have the pleasure to hand you herewith the following contracts for bar silver.

Sold on your account	£50,000	at $28^{15}/_{16}$	within a week.
Bought on your account	£100,000	„	Sycee.
„ „ „	50,000	„	Brit. D.
„ „ „	15,000	„	about 2 months.
„ „ „	15,000	„	about the end September.

No. 361.

Messrs. Samuel Montagu and Co. to India Office, dated 4th September, 1912.

I tried once or twice to telephone to you in reply to your letter of yesterday's date, but you were out or engaged each time.

There is no question of bills of lading. The silver will be consigned, in the first instance, to the Hong Kong Bank, London, and, later on, they will give instructions to land it at Bombay or Calcutta (viâ Colombo) to their own branches. Your people will have only to take delivery of the actual silver from these branches.

If you let us know the ports a few days before the ships are due at Colombo it will be quite sufficient. It would not be advisable to tell the Hong Kong Bank beforehand.

No. 362.

Messrs. Samuel Montagu and Co. to India Office, dated 4th September, 1912.

You will notice when we render this week's accounts for shipment of silver that we have secured for you 5 per cent. instead of $2\frac{1}{2}$ per cent. rebate on the portion of your shipments which we have insured for 2*s.* per cent.

No. 363.

Messrs. Samuel Montagu and Co. to India Office, dated 5th September, 1912.

Herewith we have the pleasure to hand you the following contracts for silver :—

Sold for you	£45,000	at $28\frac{7}{8}$	within a week.
Bought for you	£30,000	at $28\frac{3}{4}$	about 2 months.
„ „	£21,000	at $28\frac{7}{8}$	about end September.
„ „	£100,000	„	Sycee.
„ „	£50,000	„	Brit. D.

We propose to ship the 80,000 B D, which we are holding for you to *Bombay* next week, unless we hear from you to the contrary as part of the £250,000 for that city.

We tried to telephone to you this evening, but could not get a reply. Possibly your telephone is out of order.

No. 364.

Messrs. Samuel Montagu and Co. to India Office, dated 5th September, 1912.

We shall require the Bank receipts detailed below for next week's shipments of silver, &c. Kindly return them.

Statement	5	69	bars	marked	D.D.
„	5	105	„	„	D.
„	8	162	„	„	U.
„	9	173	„	„	W.
„	9	164	„	„	X.
„	16	407	„	„	T.
„	16	260	„	„	V.
„	17	114	„	„	U.
„	17	110	„	„	L.
„	27	93	„	„	S.M.
„	27	306	„	„	N.M.
„	29	340	„	„	M.S.
„	37	327	„	„	M.S. 37
„	39	173	„	„	K.E.
„	28	567	„	„	A.C.

No. 365.

Messrs. Samuel Montagu and Co. to India Office, dated 5th September, 1912.

We have, since I spoke to you by telephone, completed the £1,000,000 silver.

Fortunately, we were able to put the price a shade lower by selling £45,000 of the £150,000 (at fixing and outside), but we repurchased in the late afternoon all that was required to make up the total.

We are particularly glad to have completed the order before the first shipment from China.

No. 366.

Messrs. Samuel Montagu and Co. to India Office, dated 6th September, 1912.

We have the pleasure to hand you herewith the following silver contracts effected to-day :—

Bought for you £100,000 Sycee at $28\frac{7}{8}$ p. £ *s. d.*
Sold for you £75,000 bar silver at $28\frac{7}{8}$ about 1 week.
Sold for you £25,000 bar silver at $28\frac{3}{4}$ about 2 months.
£250,000 to Bombay.
£150,000 to Calcutta.

If Calcutta wants more silver for coinage we can instruct China to divert as much as you wish from the £500,000 that is leaving there on the 10/14, consigned to London to that Port.

No. 367.

India Office to Messrs. Samuel Montagu and Co., dated 6th September, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. s.s. " Marmora " sailing to-day, and to Calcutta in the B. I. S. N. Co's. s.s. " Golconda " sailing to-morrow :—

12 Bills of Lading.
Invoice of 714 bars of silver consigned to Bombay.
" 176 " " "
" 138 " " "
" 380 " " "
" 161 " " "
" 106 " " "
" 75 " " "
} 3 copies of each.
Summary of above invoices.
Invoice of 436 bars of silver consigned to Calcutta.
" 150 " " "
" 134 " " "
" 323 " " "
" 134 " " "
" 101 " " "
" 136 " " "
" 69 " " "
" 223 " " "
} 3 copies of each.
Summary of above invoices.
4 Insurance Policies (for £515,000).
2 Statements of Expenses.

No. 368.

India Office to Messrs. Samuel Montagu and Co., dated 6th September, 1912.

I beg to acknowledge the receipt of your letter of the 5th September, 1912, with enclosures, the contents of which are duly noted.

No. 369.

India Office to Messrs. Samuel Montagu and Co., dated 9th September, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 370.

India Office to Union of London and Smiths Bank, dated 9th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £3,068 6s. 10d. to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 371.

Messrs. Samuel Montagu and Co. to India Office, dated 10th September, 1912.

We beg to hand you Statements Nos. 55 and 56, relating to your purchase Contract No. 95, and your sale Contracts 18 A., 19 A., and 20 A.

We have instructed the Union of London and Smiths Bank to make you a payment of £38,000 to-morrow, the 11th instant, and one of £45,000 on Thursday, the 12th instant.

You will receive payment of £75,000 against Contract 20 A. in the course of a few days.

We will appropriate against the above payment of £38,000 and

£45,000 Bank receipts	S M	93	and we will hold the balance of the silver at your disposal in our vaults.
	T	407	
	U	162	

No. 372.

Messrs. Samuel Montagu and Co. to India Office, dated 11th September, 1912.

We have the pleasure of enclosing three contracts for the purchase of, in all, £600,000 Sycee silver and £100,000 British dollars to be shipped from China next month.

We beg to confirm the arrangement made with our client that it is agreed that you do not purchase any more silver this month, excepting in the form of Mexican dollars. This was the condition made at the time of our purchase.

Doubtless Sir Felix Schuster will have informed you of this.

This arrangement will not preclude your acceptance of any offers of silver or British dollars that may be made to you, through us, by our settlers, should it suit you to buy.

No. 373.

India Office to Messrs. Samuel Montagu and Co., dated 11th September, 1912.

In continuation of Mr. Robinson's letter of the 3rd instant,* I am directed to confirm the instructions given to you by Sir Felix Schuster for the purchase of a fifth million of silver, £700,000 of which, it is understood, you have already secured.

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* *Vide* No. 356, page 73.

No. 374.

India Office to Messrs. Samuel Montagu and Co., dated 12th September, 1912.

I beg to acknowledge the receipt of your letter of the 11th September, with enclosures.

The conditions upon which you have secured the silver, amounting to about £700,000, the purchase of which is reported in your letter, are noted.

No. 375.

India Office to Messrs. Samuel Montagu and Co., dated 13th September, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 376.

India Office to Union of London and Smiths Bank, dated 13th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £2,493 5s. 4d. to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 377.

India Office to Messrs. Samuel Montagu and Co., dated 13th September, 1912.

I am directed to acknowledge the receipt of the following documents relating to the silver consigned by you to Bombay in the P. and O. Co.'s steamship "Persia," sailing to-day :—

11 Bills of Lading		3 copies of each.
Invoice of	80 boxes of silver coin	
,,	173 bars of silver	
	69	
	416	
	43	
	65	
	43	
	306	
	164	
	173	
	114	
	110	
	340	
	327	
	260	
	105	

Summary of above invoices.
Two insurance policies (for £412,000).
Statement of expenses.

No. 378.

Messrs. Samuel Montagu and Co. to India Office, dated 16th September, 1912.

I have looked into our contracts with you and find that there is only £40,000 due to be delivered to us this week for your account—nothing next week and very little until about the middle of October.

In these circumstances, I am afraid that the Mints will have to rely, for the present, on what they are getting from China and any dollars that we may be receiving.

No. 379.

Messrs. Samuel Montagu and Co. to India Office, dated 16th September, 1912.

Kindly pay the Union of London and Smiths Bank, Limited, to-morrow, the 17th instant, the sum of £94,000* on account of Mexican dollars, for which you will receive a statement as soon as they are weighed.

We have instructed the Union of London and Smiths Bank, Limited, to transfer to the Bank of England to-morrow the sum of £75,000, to be placed to the credit of the Secretary of State for India in Council, in payment of bar silver as per Statement 56, rendered on 10th instant.

No. 380.

Messrs. Samuel Montagu and Co. to India Office, dated 16th September, 1912.

We beg to acknowledge receipt of your letter asking us to buy a fifth million pounds' worth of silver, of which £700,000 have already been purchased.

We beg to enclose a contract for a million Mexican dollars (about £100,000) at 28¼ per ounce (equal to about 29 pence per oz. standard).

We also enclose the copy of a letter we have sent the Hong Kong Bank instructing them to deliver £300,000 Sycee and £200,000 British dollars to Bombay. These amounts are on the steamer due to arrive in Bombay on the end of this month.

No. 381.

Messrs. Samuel Montagu and Co. to the Hong Kong and Shanghai Banking Corporation, dated 16th September, 1912.

Kindly take note we wish all the Sycee and British dollars which were shipped on the 10th and 14th instant to the total value of £500,000 to be delivered in Bombay.

No. 382.

India Office to Messrs. Samuel Montagu and Co., dated 17th September, 1912.

In reply to your letter of the 16th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 383.

India Office to Union of London and Smiths Bank, dated 17th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £100,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 384.

Messrs. Samuel Montagu and Co. to India Office, dated 17th September, 1912.

We enclose Statement No. 58 and weight list of 308 silver bars, which are being shipped per s.s. "Moldavia" to Bombay.

Kindly pay the Union of London and Smiths Bank, Limited, to-morrow the sum of £40,000 thereagainst.

You have paid the Union of London and Smiths Bank, Limited, to-day for our credit the sum of £100,000 on account of Mexican dollars, which we hold in our vaults, and which are being shipped to Bombay as they are being weighed.

* Altered to £100,000 by telephone message.

No. 385.

India Office to Messrs. Samuel Montagu and Co., dated 18th September, 1912.

I reply to your letter of the 17th instant. I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 386.

India Office to Union of London and Smiths Bank, dated 18th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £40,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 387.

Messrs Samuel Montagu and Co. to India Office, dated 20th September, 1912.

We enclose two contracts which concern the sale of £20,000, due to you about the commencement of November, and the repurchase of a similar amount which we have shipped to-day, per British India to Calcutta. You will note that the prices we have put on the contracts represent the prices at which Contracts 98 and 97 were bought, *i.e.*, $28\frac{7}{8}$ and $28\frac{3}{4}$. As both the purchase and sale contracts are at identical prices, this makes no difference to you and saves calculation.

As this £20,000 was bought forward when the forward price was $\frac{1}{8}$ and $\frac{3}{16}$ of a penny under that of cash, to-day's transaction shows a saving to you of about £100. We hope to anticipate deliveries a little more next week.

No. 388.

Messrs. Samuel Montagu and Co. to India Office, dated 20th September, 1912.

We hand you herewith Statement No. 60 relating to 147 silver bars shipped to-day per s.s. " Matiana " to Calcutta.

Kindly pay to-morrow to the Union of London and Smiths Bank, Limited, the sum of £20,005 19s. 7d.

You will notice that we ask you to pay the exact amount of the statement, in order to avoid extra entries on both sides.

We also beg to hand you Statement No. 61, relating to your purchase Contract No. 16 B and your sale Contract No. 17 A.

No. 389.

India Office to Messrs. Samuel Montagu and Co., dated 20th September, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. Company's s.s. "Moldavia," sailing to-day, and to Calcutta in the B.I.S.N. Company's s.s. "Matiana," sailing to-morrow.

3 bills of lading Invoice of 308 bars of silver consigned to Bombay	3 copies of each.
Summary Invoice of 147 bars of silver consigned to Calcutta	3 copies of each.
Summary	
4 insurance policies (for £124,600).	
2 statements of expenses.	

No. 390.

India Office to Messrs. Samuel Montagu and Co., dated 21st September, 1912.

In reply to your letter of the 20th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 391.

India Office to Union of London and Smiths Bank, dated 21st September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £20,838 4s. 5d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 392.

Messrs. Samuel Montagu and Co. to India Office, dated 23rd September, 1912.

We have the pleasure to enclose contracts for the sale and purchase of a further £84,000.

This will have disposed of all your silver bought for delivery after the middle of next month, and it will enable us to ship at least £100,000 this week in addition to all the Mexican dollars that we shall be able to weigh and pack.

We hope, also, to be able to ship this week the £66,000 bought for delivery about the end of the month. We shall, however, not claim the money for this unless we can get it delivered to us.

There will then be a little over £400,000 still remaining to be shipped independent of Mexican dollars.

We hope to get off a fair amount of this next week if you desire us to do so.

No. 393.

Messrs. Samuel Montagu and Co. to India Office, dated 24th September, 1912.

I am extremely pleased to be able to report that we have secured 2,000,000 Mexican dollars at $28^{11}/_{16}$ per oz. (equal to about $29^{7}/_{16}$ for silver).

This is particularly satisfactory, inasmuch as the China loans have been underwritten to-day and will improve silver materially in our opinion.

We have now completed the fifth million.

No. 394.

Messrs. Samuel Montagu and Co. to India Office, dated 24th September, 1912.

Please pay to the Union of London and Smiths Bank, Limited, to-day, the sum of £144,000 on account of bar silver (as per contract 24 B, 25 B, 26 B, and part of contracts 68, 99, and 101) which is being shipped for s.s. "Simla" to Calcutta; also to-day the sum of £100,000 on account of Mexican dollars (as per contract No. 102), of which we are taking delivery this morning, and which are being shipped to Bombay as they are being weighed.

No. 395.

India Office to Messrs. Samuel Montagu and Co., dated 24th September, 1912.

In reply to your letter of the 24th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 396.

India Office to Union of London and Smiths Bank, dated 24th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £244,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 397.

Messrs. Samuel Montagu and Co. to India Office, dated 25th September, 1912.

Kindly pay the Union of London and Smiths Bank, Limited, the sum of £26,000 on account of bar silver (balance of contracts 68, 99, and 101), which is being shipped per s.s. "Simla" to Calcutta.

No. 398.

India Office to Messrs. Samuel Montagu and Co., dated 25th September, 1912.

In reply to your letter of the 25th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 399.

India Office to Union of London and Smiths Bank, dated 25th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £26,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 400.

India Office to Messrs. Samuel Montagu and Co., dated 27th September, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the Peninsular and Oriental Company's s.s. "Maloja," sailing to-day, and to Calcutta in the same Company's s.s. "Simla," sailing to-morrow :—

Three Bills of Lading Invoice of 150 boxes of silver coin consigned to Bombay „ 363 „ „ „ „ 1,187 bars of silver consigned to Calcutta Summary of above invoice	Three copies of each
Six Insurance Policies (for £238,500).	
Three Statements of Expenses.	

No. 401.

India Office to Messrs. Samuel Montagu and Co., dated 28the September, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 402.

India Office to Union of London and Smiths Bank, dated 28th September, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £1,497 3s. 10d. to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 403.

Messrs. Samuel Montagu and Co. to India Office, dated 28th September, 1912.

We beg to hand you herewith particulars and dates of payments made to the Peninsula & Oriental S.N. Co. and Messrs. Gellatly, Hankey & Co. for freights on bullion shipped to India.

Freight paid to the Peninsular and Oriental S. N. Co.

Date.	Amount.	Steamer's Name.	Destination.
	£ s. d.		
15 August	1,000 0 0	Macedonia	Bombay
27 „	2,500 0 0	Morea	„
6 September	1,250 0 0	Somali	Calcutta
„ „	1,250 0 0	Egypt	Bombay
13 „	1,250 0 0	Marmora	„
20 „	2,000 0 0	Persia	„
24 „	505 0 0	Moldavia	„
28 „	850 0 0	Simla	Calcutta
„ „	212 10 0	Maloja	Bombay
„ „	87 10 0	„	„
	10,905 0 0		

E. O. E.,
London,
28th September.

Freight paid to Messrs. Gellatly, Hankey and Co. (British India Line).

Date.	Amount.	Steamer's Name.	Destination.
	£		
14 August	1,250	Colaba	Calcutta
7 September	1,250	Golconda	„
21 „	100	Maliana	„
	2,600		

E. O. E.,
London,
28th September.

No. 404.

Messrs. Samuel Montagu and Co. to India Office, dated 1st October, 1912.

Kindly pay to the Union of London and Smiths Bank to-morrow the sum of £40,000* on account of silver to be shipped by this week's P. & O. steamer to Bombay.

* Corrected by telephone to £45,000.

No. 405.

Messrs Samuel Montagu and Co. to India Office, dated 2nd October, 1912.

We have received advice from the Hong Kong and Shanghai Banking Corporation that delivery of the amount of sycee and dollars which arrived 28th or 29th September has now been completed, and that £375,000 is due, in payment thereof, being 75 per cent. of the total amount.

Kindly pay this amount, namely, £375,000 to the Union of London and Smiths Bank on our behalf to-morrow.

No. 406.

Messrs. Samuel Montagu and Co. to India Office, dated 2nd October, 1912.

We confirm our telephone message to-day, requesting you to kindly pay £45,000 to the Union of London and Smiths Bank to-day instead of the £40,000 already arranged.

No. 407.

India Office to Messrs. Samuel Montagu and Co., dated 2nd October, 1912.

In reply to your letter of the 1st instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 408.

India Office to Union of London and Smiths Bank, dated 2nd October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £45,000 to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 409.

India Office to Messrs. Samuel Montagu and Co., dated 3rd October, 1912.

I understand from your contracts L.M. and N. that we have £400,000 sycee silver leaving Shanghai 8th October, Hong Kong 12th October, and £300,000, leaving Shanghai on the 22nd October, Hong Kong 26th October, but I have a note of a conversation in which you gave the figures as about £350,000 for each of the two shipments.

May I take it that the distribution of the two shipments as stated in the contracts remains unaltered?

No. 410.

India Office to Messrs. Samuel Montagu and Co., dated 3rd October, 1912

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 411.

India Office to Union of London and Smiths Bank, dated 3rd October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £375,000 to your Bank from the account of the Secretary of State in Council of India, I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 412.

India Office to Messrs. Samuel Montagu and Co., dated 4th October, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the Peninsular and Oriental Company's steamship " Mongolia " sailing to-day.

Two bills of lading
Invoice of 331 bars of silver consigned to Bombay. } 3 copies of each.
Summary of above invoice.
Summary of 550 boxes of silver coin.
Two insurance policies (for £116,800).
Statement of expenses.

No. 413.

India Office to Messrs. Samuel Montagu and Co., dated 5th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 414.

India Office to Union of London and Smiths Bank, dated 5th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £774 14s. 11d. to your Bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 415.

Messrs. Samuel Montagu and Co. to India Office, dated 7th October, 1912.

With reference to the £300,000 in Mexican dollars (about 3,000,000 dollars) about which I spoke to you on the telephone, we can offer them to you at 29 pence per oz. (equal to about $29\frac{3}{4}$) for a reply to us on Wednesday.

As it is the Mexican Government that is selling, I look upon this as quite a different proposition to the one that we did *not* recommend a few days ago, and, if the demand for silver rupees is continuing, I do not see how you could do as well in any other direction.

No. 416.

India Office to Messrs. Samuel Montagu and Co., dated 7th October, 1912.

Your telephonic message and letter of to-day regarding £300,000 Mexican dollars. We have carefully considered the matter, and have come to the conclusion that it would be better not to buy any more silver just at present.

No. 417.

Messrs. Samuel Montagu and Co. to India Office, dated October 7th, 1912.

Kindly pay us to-morrow through the usual channel—
£100,000 for bar silver,
£45,000 ,, Mex. D.
this bullion is for shipment to India this week.
We may need to increase the above amount slightly.

No. 418.

Messrs. Samuel Montagu and Co. to India Office, dated 8th October, 1912.

We confirm the telephone communication made to-day asking you to pay to-morrow through the usual channel £100,000 for bar silver to be shipped this week.

We enclose debit statement for £552 6s. 8d.

No. 419.

Messrs. Samuel Montagu and Co. to India Office, dated 8th October, 1912.

I think that the approximate amount of our shipments this week will total £300,000. This will leave about a similar amount owing to you, including Mexican dollars, from this side.

We have to get this pretty well all off by next week, when all that will remain unshipped will be the sycee bought for the 22/26 instant—also £300,000.

No. 420.

Messrs. Samuel Montagu and Co. to India Office, dated 8th October, 1912.

Kindly pay us to-day £80,000 on account of silver to be shipped this week from London, and £60,000 (being 20 per cent. on £300,000 sycee and bars now weighed in Bombay), making a total payment to-day through the usual channel of £285,000.

No. 421.

India Office to Messrs. Samuel Montagu and Co., dated 8th October, 1912.

In reply to your letter of the 7th instant and subsequent message by telephone, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 422.

India Office to Union of London and Smiths Bank, dated 8th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £255,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 423.

India Office to Messrs. Samuel Montagu and Co., dated 9th October, 1912.

In reply to your letter of the 8th instant, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 424.

India Office to Union of London and Smiths Bank, dated 9th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £100,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 425.

India Office to Messrs. Samuel Montagu and Co., dated 9th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 426.

India Office to Union of London and Smiths Bank, dated 9th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £40,552 6s. 8d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 427.

Messrs. Samuel Montagu and Co. to India Office, dated 9th October, 1912.

Since the visit we received from Mr. Hopkins our Mr. Franklin has seen the London Manager of the Hong Kong Bank with reference to the shortage in the first shipment of sycee. He says that, of course, any differences will be adjusted later on. Apparently they have some difficulty in getting off the £100,000 British dollars that are to be sent on the 12th.

They will ask us to-morrow to try and arrange that this shipment shall be postponed for a short time and then sent by a quick direct steamer to Calcutta.

We have told him that if he tells us the date of shipment and the probable date of arrival we could ask you if you had any objection.

Mr. Hopkins will have explained to you the reason of the apparent discrepancy in our figures.

No. 428.

Messrs. Samuel Montagu and Co. to India Office, dated 10th October, 1912.

We confirm our telephone request that you will kindly pay us through the usual channel £40,000 for silver shipment to Calcutta from London.

No. 429.

India Office to Messrs. Samuel Montagu and Company, dated 10th October, 1912.

In reply to your message by telephone, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 430.

India Office to Union of London and Smiths Bank, dated 10th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £40,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Co.

No. 431.

Messrs. Samuel Montagu and Co. to India Office, dated 11th October, 1912.

We enclose a statement of our books showing a balance of £6,857 18*s.* 10*d.* due to us, which we trust you will find correct.

No. 432.

India Office to Messrs. Samuel Montagu and Co., dated 11th October, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. Company's s.s. "Arabia" sailing to-day, and to Calcutta in the same Company's s.s. "Caledonia" and "Poona," sailing 10th and 12th instant, respectively:—

5 bills of lading.	
Summary of 170 boxes of silver coin consigned to Bombay.	3 copies of each.
Summary of 100 boxes of silver coin consigned to Calcutta per "Caledonia."	3 copies of each.
Summary and invoice of 1,969 bars of silver per "Caledonia."	
Summary of 291 boxes of silver coin per "Poona."	
Summary and invoice of 263 bars of silver per "Poona."	
7 Insurance Policies (for £408,400).	
3 Statements of Expenses.	

No. 433.

India Office to Messrs. Samuel Montagu and Co., dated 12th October, 1912.

In reply to your letter of the 11th instant, I forward herewith for your information a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 434.

India Office to Union of London and Smiths Bank, dated 12th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £6,857 18*s.* 10*d.* to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 435.

India Office to Messrs. Samuel Montagu and Co., dated 14th October, 1912.

The Government of India have telegraphed that they would like the consignment of £400,000 sycee and dollars which left Hong Kong on the 8th instant, as well as this week's shipment from London, to be sent to Bombay. Will you kindly arrange accordingly?

No. 436.

Messrs. Samuel Montagu and Co. to India Office, dated 14th October, 1912.

In accordance with your request, we have instructed the Hong Kong and Shanghai Banking Corporation to forward to Bombay the £400,000 of silver due to Colombo October 24th.

The above Bank advises us that the £450,000 sycee and dollars per s.s. "Devenha" is due at Calcutta to-day.

No. 437.

Messrs. Samuel Montagu and Co. to India Office, dated 14th October, 1912.

In accordance with our communications by telephone, please pay us through the usual channel to-day the sum of £208,000 for silver to be shipped from London.

No. 438.

India Office to Messrs. Samuel Montagu and Co., dated 14th October, 1912.

In reply to your telephone message, I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 439.

India Office to Union of London and Smiths Bank, dated 14th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £208,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 440.

India Office to Messrs. Samuel Montagu and Co., dated 18th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 441.

India Office to Union of London and Smiths Bank, dated 18th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £14,520 11s. 1d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 442.

India Office to Messrs. Samuel Montagu and Co., dated 18th October, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. & O. Company's s.s. "Mantua" sailing to-day :—

Two bills of lading Invoice of 370 bars of silver consigned to Bombay Summary of 370 bars of silver and 16 boxes of silver coin Summary of 400 boxes of silver coin	Three copies of each.
Two insurance policies (for £105,000).	
One statement of expenses.	

No. 443.

India Office to Messrs. Samuel Montagu and Co., dated 19th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 444.

India Office to Union of London and Smiths Bank, dated 19th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £678 0s. 9d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company

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No. 445.

Messrs. Samuel Montagu and Co. to India Office, dated 22nd October, 1912.

We confirm our telephone conversation of this morning to the effect that we are shipping this week to Bombay for account of the Indian Government about £110,000 in Mexican dollars.

Further, our friends in Shanghai have shipped to-day about £300,000 in sycee.

These two shipments complete our contracts, and there is nothing further owing to you.

As to the destination of the £300,000 sycee, it will suffice if you let us know where you want it a day or two before the steamer arrives at Colombo.

No. 446.

India Office to Messrs. Samuel Montagu and Co., dated 23rd October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank. The £10,000 is an instalment of the balance of 5 per cent., £257 5s. 11d. being held over pending an enquiry regarding pre-melting charges.

No. 447.

India Office to Union of London and Smiths Bank, dated 23rd October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £10,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 448.

India Office to Messrs. Samuel Montagu and Co., dated 25th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 449.

India Office to Union of London and Smiths Bank, dated 25th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £7,257 5s. 11d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 450.

India Office to Messrs. Samuel Montagu and Co., dated 25th October, 1912.

I am directed to acknowledge the receipt to-day of the following documents relating to the silver consigned by you to Bombay in the P. and O. Company's s.s. "Medina," sailing to-day :—

1 bill of lading
Summary of 946 boxes of silver coin consigned to Bombay } 3 copies of each.
2 insurance policies (for £116,000).
Statements of Expenses.

No. 451.

India Office to Messrs. Samuel Montagu and Co., dated 26th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 452.

India Office to Union of London and Smiths Bank, dated 26th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £2,778 13s. 11d. to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 453.

India Office to Messrs. Samuel Montagu and Co., dated 29th October, 1912.

We enclose herewith Statement 85, showing £131 5s. to your debit, which we trust will be found in order.

No. 454.

India Office to Messrs. Samuel Montagu and Co., dated 29th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 455.

India Office to Union of London and Smiths Bank, dated 29th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £337,500 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 456.

India Office to Messrs. Samuel Montagu and Co., dated 30th October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 457.

India Office to Union of London and Smiths Bank, dated 30th October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £300,131 5s. 0d. to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 458.

India Office to Messrs. Samuel Montagu and Co., dated 31st October, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 459.

India Office to Union of London and Smiths Bank, dated 31st October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £60,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 460.

India Office to Messrs. Samuel Montagu and Co., dated 31st October, 1912.

I forward, herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 461.

India Office to Union of London and Smiths Bank, dated 31st October, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer a further £60,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 462.

Messrs. Samuel Montagu and Co. to India Office, dated 31st October, 1912

We enclose copy of a letter received by us yesterday from the Hong Kong and Shanghai Banking Corporation.

Enclosure to No. 462.

The Hongkong and Shanghai Banking Corporation to Messrs. Samuel Montagu and Co., dated 30th October, 1912.

We are in receipt of your cheque for £300,000 in payment of 75 per cent. of £300,000 sycee and £100,000 British dollars *ex* "China" delivered to Bombay.

We think that we ought to direct your attention to the fact, that, although we advised you on Monday, the 28th instant, that the delivery of this shipment was completed, the payment was not made until to-day.

With regard to the "Devanha" shipment delivered in Calcutta, we advised you on the 25th instant, in accordance with your request, that delivery would probably be completed on Saturday the 26th instant, and on the following Monday we informed you of the completion but did not receive payment until Tuesday, the 29th instant.

No. 463.

India Office to Messrs. Samuel Montagu and Co., dated 2nd November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 464.

India Office to Union of London and Smiths Bank, dated 2nd November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £20,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 465.

India Office to Messrs. Samuel Montagu and Co., dated 3rd November, 1912.

† Lord Crewe has ascertained that the Attorney-General is aware that the only documents signed by the firm of Messrs. Samuel Montagu and Co. in connection with purchases of silver for India were the brokers' contract notes issued from time to time giving the approximate quantity purchased.

The reference must have been to these, since the Attorney-General is aware that no contract for purchase with this office was signed by the firm.

No. 466.

India Office to Messrs. Samuel Montagu and Co., dated 4th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 467.

India Office to Union of London and Smiths Bank, dated 4th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £30,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 468.

India Office to Messrs. Samuel Montagu and Co., dated 5th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 469.

India Office to Union of London and Smiths Bank, dated 5th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £4,005 7s. 2d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

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† In reply to enquiry by teleplone.

No. 470.

India Office to Messrs. Samuel Montagu and Co., dated 7th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 471.

India Office to Union of London and Smiths Bank, dated 7th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £1,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 472.

India Office to Messrs. Samuel Montagu and Co., dated 8th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 473.

India Office to Union of London and Smiths Bank, dated 8th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £14,000, £9,640 8s. 2d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 474.

India Office to Union of London and Smiths Bank, dated 12th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 475.

India Office to Union of London and Smiths Bank, dated 12th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £225,000 to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 476.

India Office to Messrs. Samuel Montagu and Co., dated 12th November, 1912.

I forward herewith, for your information, a copy of a further letter that has to-day been sent to the Union of London and Smiths Bank.

No. 477.

India Office to Union of London and Smiths Bank, dated 12th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer the further sum of £7,600 9s. 6d. to your bank from the account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 478.

India Office to Messrs. Samuel Montagu and Co., dated 8th November, 1912.

With reference to a question in the House of Commons, of which notice has been given, as to whether, while purchasing silver for the Government you were acting as brokers, not dealers, it is presumed that the answer is that you acted as brokers; but I am desired to ask your confirmation of this.

No. 479.

Messrs. Samuel Montagu and Co. to India Office, dated 9th November, 1912.

The reply to your letter of yesterday's date is that while purchasing silver for the Indian Government we acted as brokers.

No. 480.

Messrs. Samuel Montagu and Co. to India Office, dated 12th November, 1912.

We hand you herewith Statement No. 86 for sycee and British dollars ex. steamship " Media " showing £500,402 15s. 7d. to your debit. The sellers did not expect us to deduct premelting charges (£116 1s. 5d.) being under the impression that they had paid theirs to the Mint in Bombay : that view is not shared by you, for in your payments you have deducted the amount, and we have accordingly accounted as if the same was due to you.

No. 481.

Messrs. Samuel Montagu and Co. to India Office, dated 13th November, 1912.*

While we would be glad to give you any information you ask, we regret that it is quite impossible for us to give the names of our clients from whom we purchase silver.

To do so would render us liable to have our private business made public property not only to any competitors in this country but also to those in other countries who would be only too glad to divert business from London by knowledge thus acquired.

‡ Moreover, it is the invariable rule and has ever been so that the four recognised bullion houses who, as you are aware, compose the London market, assume the entire responsibility towards both their buying and selling clients who, from the very nature of their business, demand or expect entire secrecy as to their operations.

Although your orders have been large, they formed at times but a portion of our business (which involves a considerable number of clients), and supposing we felt justified in divulging the names of those clients with whom we did business on the same days as with you it is no more practicable to disentangle from the list those which provide your silver than to identify the grape from which any given drop of wine had been obtained.

If the object of the question is to imply that we were engaged in a conspiracy to pile up large stocks of silver and sell them to you at an enhanced price we protest most indignantly against such an imputation.

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* This is in answer to a telephone enquiry.

‡ Financial Secretary,
The India Office,
Whitehall.

DEAR SIR, London, 13th Nov., 1912.

In reply to your enquiry§ we beg to inform you that the custom of the Bullion trade is that a Broker who makes a contract is responsible both to the buyer and the seller for the due fulfilment of the contract. This has always been the custom, as our clients on either side require it, and they would consider it a breach of confidence if their names were divulged.

We are, Dear Sir,
Your obedient Servants,
(Sd.) MOCATTA AND GOLDSMITH, PIXLEY AND ABELL, SHARPS AND WILKINS.

§ By telephone.

At no time were our holdings of silver during the entire duration of your orders more than on a very limited scale, and then only in connection with other business which we had in hand such as submitting tenders to Brazilian and other foreign Governments.

As a matter of fact when your first order reached us on March 5th our entire stock of silver did not amount to £20,000 which, considering the scale of our normal business, whether as dealers or brokers, is a quantité negligeable.

As a matter of fact, though this does not in the least touch the question, the bulk of this paltry sum figured in our books at over the price at which we executed any part of your first order.

Possibly the idea prevails in your questioner's mind that we had some interest in the large amounts of silver amounting to some millions of pounds which we deposited in our own name on your behalf at the Bank of England for safe custody, handing you their receipts, whereas, as you well know, the silver was all yours. We may add that we are agreeable to place our books covering the period in question at the disposal of the Chairman of the Finance Committee of the India Council, on whose daily instructions we acted, together with any member of the permanent staff of the India Office whom the Secretary of State may choose, but this must be, of course, under the seal of strict confidence.

No. 482.

Messrs. Samuel Montagu and Co. to India Office, dated November 14th, 1912.

For the purpose of answering enquiries, kindly let us have a copy of the figures given to Parliament as to the purchases of silver which began in 1905 and which finally ended in 1907, namely, extent of orders, date of beginning and end of each specific order, and average price in each case.

No. 483.

India Office to Messrs. Samuel Montagu and Co., dated 15th November, 1912.

In reply to your letter of the 14th instant, I am directed to inform you that the figures regarding the purchases of silver to which you refer were given in the "Report of Parliamentary Debates" (Hansard), Vol. 43, No. 135, pages 866-867. For your convenience a copy of the question and of the answer thereto is herewith enclosed.

No. 484.

India Office to Messrs. Samuel Montagu and Co., dated 14th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 485.

India Office to Union of London and Smiths Bank, dated 14th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £624 18s. 7d., £4,844 19s. 10d. to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 486.

India Office to Messrs. Samuel Montagu and Co., dated 15th November, 1912.

With reference to the telephonic communications which have passed between you and the Financial Secretary at this Office, I am directed by the Secretary of State for India in Council to confirm the statement that no signed tender was received from you for the purchases of silver recently made by you on his behalf.

No. 487.

Messrs. Samuel Montagu and Co. to India Office, dated 15th November, 1912.

We are obliged for your letter of even date stating that no signed tender was received from our firm for the purchases of silver recently made on behalf of the Secretary of State for India in Council.

No. 488.

India Office to Messrs. Samuel Montagu and Co., dated 15th November, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 489.

India Office to Union of London and Smiths Bank, dated 15th November, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £60,000 to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

No. 490.

India Office to Messrs. Samuel Montagu and Co., dated 27th November, 1912.

With reference to your letter of the 13th November, I am directed by the Secretary of State for India in Council to thank you for your offer to submit your books, for the period covered by the recent purchases of silver, to inspection on his behalf. As at present advised, His Lordship does not desire to avail himself of the offer. He understands that it remains open, in case he may wish to do so hereafter.

No. 491.

India Office to Messrs. Samuel Montagu and Co., dated 3rd December, 1912.

I forward herewith, for your information, a copy of a letter that has to-day been sent to the Union of London and Smiths Bank.

No. 492.

India Office to Union of London and Smiths Bank, dated 3rd December, 1912.

I am directed to inform you that the Bank of England have to-day been instructed to transfer £14,739 8s. 8d. to your Bank from the Account of the Secretary of State in Council of India. I am to ask that you will credit this amount, when received, to Messrs. Samuel Montagu and Company.

APPENDIX A.

CONTRACTS.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 1. 5th March, 1912.

Bought for the Secretary of State for India in Council about £50,000 fine bar silver.
At 26$\frac{3}{8}$ per oz. standard.
Delivery £40,000 May 5th.
£10,000 June 30th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 2. 7th March, 1912.

Bought for the Secretary of State for India in Council about £40,000 fine bar silver.
£30,000 at 26$\frac{3}{4}$, £10,000 at 26$\frac{11}{16}$ per oz. standard.
Delivery June 30th, 1912.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 3. 7th March, 1912.

Bought for the Secretary of State for India in Council about £15,000 fine bar silver.
At 26$\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 4. 8th March, 1912.

Bought for the Secretary of State for India in Council about £40,000 fine bar silver.
At 26$\frac{11}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.,

60, Old Broad Street, London.
No. 5. 8th March, 1912.

Bought for the Secretary of State for India about £7,000 fine bar silver.
At 26$\frac{11}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 6. 11th March, 1912.

Bought for the Secretary of State for India about £35,000 fine bar silver.
At 26$\frac{13}{16}$.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 7. 12th March, 1912.

Bought for the Secretary of State for India about £20,000 fine bar silver.
At 26$\frac{7}{8}$ per oz. standard.
Delivery end June.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 8. (13) 12th March, 1912.

Bought for the Secretary of State for India about £20,000 fine bar silver.
At 26$\frac{13}{16}$.
Delivery mid June.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 9. 14th March, 1912.

Bought for the Secretary of State for India about £73,000 fine bar silver.
At $26\frac{7}{8}$.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 10. 18th March, 1912.

Bought for the Secretary of State for India about £55,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery £35,000 about 2 months.
£20,000 „ 4 „

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 11. 19th March, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery £5,000 about 2 months.
£10,000 „ 3 „

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 12. 20th March, 1912.

Bought for the Secretary of State for India about £50,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery £46,000 about 2 months.
£4,000 „ 4 „

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 13. 21st March, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 14. 22nd March, 1912.

Bought for the Secretary of State for India about £70,000 fine bar silver.
At 2 $6\frac{15}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 15. 26th March, 1912.

Bought for account of the Secretary of State for India about £15,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 16. 27th March, 1912.

Bought for the Secretary of State for India about £35,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery May 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 17. 27th March, 1912.

Bought for the Secretary of State for India about £5,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 18. 28th March, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery 2 months fd. about.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 19. 28th March, 1912.

Bought for the Secretary of State for India in Council about £25,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery May 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 20. 29th March, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 21. 30th March, 1912.

Bought for the Secretary of State for India in Council about £12,000 fine bar silver.
At $26\frac{3}{4}$ per oz. standard.
Delivery in about 3 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 22. 1st April, 1912.

Bought for the Secretary of State for India about £12,000 fine bar silver.
and about £ 6,000

£18,000

At $26\frac{13}{16}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 23. 1st April, 1912.

Bought for the Secretary of State for India about £20,000 fine bar silver.
At $26\frac{13}{16}$ per oz. standard.
Delivery June.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 24. 2nd April, 1912.

Bought for the Secretary of State for India about £5,000 fine bar silver.
At $26\frac{7}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 25. 3rd April, 1912.

Bought for the Secretary of State for India about £20,000 fine bar silver.
At $27\frac{1}{8}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 26. 4th April, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $27\frac{3}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 27. 4th April, 1912.

Bought for the Secretary of State for India about £30,000 fine bar silver.
At $27\frac{3}{16}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 28. 6th April, 1912.

Bought for the Secretary of State for India about £9,000 fine bar silver.
At $27\frac{1}{8}$ per oz. standard.
Delivery in about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 29. 9th April, 1912.

Bought for the Secretary of State for India about six thousand pounds (£6,000) fine bar silver.
At $26\frac{15}{16}$ per. oz. standard.
Delivery early May.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 30. 9th April, 1912.

Bought for the Secretary of State for India about £5,000 fine bar silver.
At $26\frac{15}{16}$ per oz. standard.
Delivery 3 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 31. 16th April, 1912.

Bought for the Secretary of State for India about £6,000 fine bar silver.
At $27\frac{1}{16}$ per oz. standard.
Delivery in about 3 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 32. 16th April, 1912.

Bought for the Secretary of State for India about £6,000 fine bar silver.
At $27\frac{1}{16}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 33. 16th April, 1912.

Bought for the Secretary of State for India about £23,000 fine bar silver.
At 27 per oz. standard.
Delivery May 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 34. 17th April, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $27\frac{1}{4}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 35. 17th April, 1912.

Bought for the Secretary of State for India about £30,000 fine bar silver.
At $27\frac{1}{4}$ per oz. standard.
Delivery about June 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London,
No. 36. 17th April, 1912.

Bought for the Secretary of State for India about £5,000 fine bar silver.
At 27¼ per oz. standard.
Delivery about 3 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 37. 17th April, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At 27 3/16 per oz. standard.
Delivery early May.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 38. 18th April, 1912.

Bought for the Secretary of State for India about £29,000 fine bar silver.
At 27 7/16 per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 39. 18th April, 1912.

Bought for the Secretary of State for India about £11,000 fine bar silver.
At 27 7/16 per oz. standard.
Delivery 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 40. 19th April, 1912.

Bought for the Secretary of State for India about £27,000 fine bar silver.
At 27½ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 41. 22nd April, 1912.

Bought for the Secretary of State for India about £13,000 fine bar silver.
At 27½ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 42. 23rd April, 1912.

Bought for the Secretary of State for India about £11,000 fine bar silver.
At 27⅝ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 43. 24th April, 1912.

Bought for the Secretary of State for India about £19,000 fine bar silver.
At 28 1/16 per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 44. 26th April, 1912.

Bought for the Secretary of State for India about £40,000 fine bar silver.
At 28⅛ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 45. 26th April, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At 28$\frac{1}{8}$ per oz. standard.
Delivery July.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 46. 21st May, 1912.

Bought for the Secretary of State for India about £39,000 fine bar silver.
Half at 28$\frac{1}{4}$, half at 28$\frac{5}{16}$ per oz. standard.
Delivery June 1st.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 47. 22nd May, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
£7,500 at 28$\frac{1}{8}$, £7,500 at 28$\frac{3}{16}$ per oz. standard.
Delivery June 1st.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 48. 24th May, 1912.

Bought for the Secretary of State for India about £80,000 fine bar silver.
£40,000 at 28, £40,000 at 28$\frac{1}{16}$ per oz. standard.
Delivery June 1st.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 49. 25th May, 1912.

Bought for the Secretary of State for India about £6,000 fine bar silver.
At 28$\frac{1}{8}$ per oz. standard.
Delivery June 1st.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 50. 28th May, 1912.

Bought for the Secretary of State for India in Council about £110,000 fine bar silver.
At 28$\frac{1}{8}$ per oz. standard.
Delivery June 1st.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 51. 3rd June, 1912.

Bought for the Secretary of State for India about £30,000 fine bar silver.
At 27$\frac{15}{16}$ per oz. standard.
Delivery 4th June.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 52. 4th June, 1912.

Bought for the Secretary of State for India about £100,000 fine bar silver.
At 28$\frac{1}{16}$ per oz. standard.
Delivery 5th June.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 53. 6th June, 1912.

Bought for the Secretary of State for India about £100,000 fine bar silver.
At 28 per oz. standard.
Delivery 7th inst.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 54. 7th June, 1912.

Bought for the Secretary of State for India twenty thousand pounds fine bar silver.
At 28 per oz. standard.
Delivery June 8th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 55. 20th June, 1912.

Bought for A/c of the Secretary of State for India about £70,000 fine bar silver.
At $28\frac{3}{8}$ per oz. standard.
Delivery June 21st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 56. 21st June, 1912.

Bought for the Secretary of State for India about £45,000 fine bar silver.
At $28\frac{7}{16}$ per oz. standard.
Delivery June 22nd.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 57. 22nd June, 1912.

Bought for the Secretary of State for India about £9,000 fine bar silver.
At $28\frac{9}{16}$ per oz. standard.
Delivery 25th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 58. 24th June, 1912.

Bought for the Secretary of State for India in Council about £80,000 fine bar silver.
At $28\frac{9}{16}$ per oz. standard.
Delivery 25th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 59. 24th June, 1912.

Bought for the Secretary of State for India about £8,000 fine bar silver.
At $28\frac{9}{16}$ per oz. standard.
Delivery 25th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 60. 25th June, 1912.

Bought for the Secretary of State for India about £25,000 fine bar silver.
At $28\frac{7}{16}$ per oz. standard.
Delivery 26th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 61. 26th June, 1912.

Bought for the Secretary of State for India about £13,000 fine bar silver.
At $28\frac{5}{16}$ per oz. standard.
Delivery 27th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 62. 27th June, 1912.

Bought for the Secretary of State for India about £75,000 fine bar silver.
At $28\frac{3}{8}$ per oz. standard.
Delivery 28th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 63. 28th June, 1912.

Bought for the Secretary of State for India about £100,000 fine bar silver.
At 28¼ per oz. standard.
Delivery Cash.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 64. 2nd July, 1912.

Bought for the Secretary of State for India about £40,000 fine bar silver.
At 28⅛ per oz. standard.
Delivery July 3rd.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 65. 4th July, 1912.

Bought for the Secretary of State for India about £23,000 fine bar silver.
At 28 3/16 per oz. standard.
Delivery Cash.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 66. 5th July, 1912.

Bought for the Secretary of State for India about £12,000 fine bar silver.
At 28⅛ per oz. standard.
Delivery Cash to-morrow.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 67. 31st July, 1912

Bought on account for the Secretary of State for India about £30,000 bar silver.
At 27¾ per oz. standard.
Delivery to-morrow.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 68. 31st July, 1912.

Bought on account of the Secretary of State for India about £30,000 bar silver.
At 27⅞ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 69. 2nd August, 1912.

Bought on account of the Secretary of State for India about £100,000 bar silver.
At 27⅝ per oz. standard.
Delivery to-morrow.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 70. 3rd/6th August, 1912.

Bought for account of the Secretary of State for India about £15,000 bar silver.
At 27 9/16 per oz. standard.
Delivery 7th inst.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.
No. 71. 6th August, 1912.

Bought for account of the Secretary of State for India about £60,000 bar silver.
At 27⅝ per oz. standard.
Delivery 7th inst.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 72. 6th August, 1912.

Bought for account of the Secretary of for India about £20,000 bar silver.
At $27\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 73. 6th/7th August, 1912.

Bought for account of the Secretary of State for India about £10,000 bar silver.
At $27\frac{5}{8}$ per oz. standard.
Delivery tomorrow, 8th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 74. 7th August, 1912.

Bought for account of the Secretary of State for India about £50,000 bar silver.
At $27\frac{11}{16}$ per oz. standard.
Delivery tomorrow, 8th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 75. 8th August, 1912.

Bought for account of the Secretary of State for India about £63,000 bar silver.
At $28\frac{3}{16}$ per oz. standard.
Delivery within a month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 76. 8th August, 1912.

Bought for account of the Secretary of State for India about £25,000 bar silver.
At $28\frac{1}{16}$ per oz. standard.
Delivery tomorrow.

(Sd.) SAMUEL MONTAGU AND CO

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 77. 8th August, 1912.

Bought for account of the Secretary of State for India about £7,000 bar silver.
At $28\frac{6}{16}$ per oz. standard.
Delivery in two months (about).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 78. 9th August, 1912.

Bought on account of the Secretary of State for India about £35,000 bar silver.
At $28\frac{1}{16}$ per oz. standard.
Delivery tomorrow, 10th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 79. 9th August, 1912.

Bought on account of the Secretary of State for India about £5,000 bar silver.
At $28\frac{3}{16}$ per oz. standard.
Delivery in about two months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 80. 10/12th August, 1912.

Bought for account of the Secretary of State for India about £6,000 bar silver.
At $28\frac{3}{16}$ per oz. standard.
Delivery 13th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 81. 12th August, 1912.

Bought for account of the Secretary of State for India about £35,000 bar silver.
At $28\frac{1}{8}$ per oz. standard.
Delivery tomorrow, 13th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 82. 13th August, 1912.

Bought for account of the Secretary of State for India about £10,000 bar silver.
At $28\frac{3}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 83. 13th August, 1912.

Bought for account of the Secretary of State for India about £5,000 bar silver.
At $28\frac{5}{16}$ per oz. standard.
Delivery within a week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 84. 14th August, 1912.

Bought for account of the Secretary of State for India about £120,000 bar silver.
At $28\frac{7}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 85. 15th August, 1912.

Bought for account of the Secretary of State for India about £45,000 bar silver.
At $28\frac{9}{16}$ per oz. standard.
Delivery within about 14 days.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 86. 15th August, 1912.

Bought for account of the Secretary of State for India about £30,000 bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery tomorrow, 16th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 87. 15th August, 1912.

Bought for account of the Secretary of State for India about £15,000 fine bar silver.
At $28\frac{5}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 88. 16th August, 1912.

Bought for account of the Secretary of State for India about £234,000 bar silver.
At $28\frac{13}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 89. 17th/19th August, 1912.

Bought for account of the Secretary of State for India about £40,000 bar silver.
At $29\frac{1}{8}$ per oz. standard.
Delivery about one month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 90. 17th, 19th August, 1912.

Bought for account of the Secretary of State for India about £10,000 bar silver.
At $28\frac{13}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 91. 28th August, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{3}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 92. 29th August, 1912.

Bought for the Secretary of State for India about £20,000 fine bar silver.
At $28\frac{9}{16}$ per oz. standard.
Delivery two months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 93. 30th August, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{11}{16}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 94. 31st August, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 95. 2nd September, 1912.

Bought for the Secretary of State for India about £12,000 fine bar silver.
At $28\frac{13}{16}$ per oz. standard.
Delivery cash.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 96. 2nd September, 1912.

Bought for the Secretary of State for India about 1,000,000 (value nearly £102,000) Mexican dollars.
At $28\frac{1}{8}$ per oz.
Delivery about end September.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 97. 3rd September, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND Co.

60, Old Broad Street, London.

No. 98. 4th September, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND Co.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 99. 4th September, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At $28\frac{15}{16}$ per oz. standard.
Delivery about end September.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 100. 5th September, 1912.

Bought for the Secretary of State for India about £30,000 fine bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 101. 5th September, 1912

Bought for the Secretary of State for India about £21,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery about end of September.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 102. 16th September, 1912.

Bought for the Secretary of State for India in Council about 1,000,000 Mexican dollars.
At $28\frac{1}{4}$ per oz.
Delivery September.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 103. 24th September, 1912.

Bought for the Secretary of State for India in Council about 2,000,000 Mexican dollars.
At $28\frac{11}{16}$ per oz. (equal to about $29\frac{7}{16}$ standard).
Delivery on arrival.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 1A. 19th April, 1912.

Sold for the Secretary of State for India about £101,000 fine bar silver as per Contracts 16, 19, 22, 33.
At $27\frac{3}{8}$ per oz. standard.
Delivery May 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 1B. 19th April, 1912.

Bought for the Secretary of State for India about £101,000 (the equivalent in silver of Contract 1A) fine bar silver.
At $27\frac{1}{2}$ per oz. standard.
Delivery July 1st.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 2A. 22nd April, 1912.

Sold for the Secretary of State for India about £76,000 (silver equivalent of Contracts 1, 25, 29, and 37).
At $27\frac{5}{16}$ per oz. standard.
Delivery early May.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 2B. 22nd April, 1912.

Bought for the Secretary of State for India about £76,000 (silver equivalent of Contract 2A).
At $27\frac{1}{2}$ per oz. standard.
Delivery early July.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 3A. 26th April, 1912.

Sold for the Secretary of State for India £15,000 (the equivalent in silver of Contract 3).
At 28 per oz. standard.
Delivery May 7th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 3B. 26th April, 1912.

Bought for the Secretary of State for India the silver equivalent of Contract 3A (£150,000) fine bar silver.
At 28⅛ per oz. standard.
Delivery July 7th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 4A. 29th April, 1912.

Sold for the Secretary of State for India about £10,000 (part of Contract 27 (£30,000)).
At 27 11/16 per oz. standard.
Delivery about May 4th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 4B. 29th April, 1912.

Bought for the Secretary of State for India about £10,000 (counterpart of Contract 4A) fine bar silver.
At 28 1/16 per oz. standard.
Delivery about July 4th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 5A. 3rd May, 1912.

Sold for the Secretary of State for India about £20,000 (silver equivalent of the balance of Contract 27).
At 28 1/16 per oz. standard.
Delivery May 4th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 5B. 3rd May, 1912.

Bought for the Secretary of State for India about £20,000 (silver equivalent of Contract 5A) fine bar silver.
At 28¼ per oz. standard.
Delivery about July 4th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 6A. 3rd May, 1912.

Sold for the Secretary of State for India about £47,000 (silver equivalent of Contract 4 (£40,000) and 5 (£7,000)).
At 28 1/16 per oz. standard.
Delivery May 8th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 6B. 3rd May, 1912.

Bought for the Secretary of State for India about £47,000 (silver equivalent of Contract 6A).
At 28¼ per oz. standard.
Delivery July 8th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 7A. 6th May, 1912.

Sold for the Secretary of State for India the equivalent bar silver of part of Contract 11 (£5,000) and of Contract 13 (£10,000), £15,000 in all.
At 27 11/16 per oz. standard.
Delivery about May 20th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 7B. 6th May, 1912.

Bought for the Secretary of State for India about £15,000 (the equivalent silver in Contract 7A).
At $27\frac{13}{16}$ per oz. standard.
Delivery about July 20th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 8A. 10th May, 1912.

Sold for the Secretary of State for India about £35,000 fine bar silver (the silver value of Contract 6).
At $27\frac{13}{16}$ per oz. standard.
Delivery May 11th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 8B. 10th May, 1912.

Bought for the Secretary of State for India about £35,000 fine bar silver (silver value of Contract 8A).
At 28 per oz. standard.
Delivery about July 11th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 9A. 10th May, 1912.

Sold for the Secretary of State for India about £15,000 fine bar silver (silver value of Contract 15).
At $27\frac{13}{16}$ per oz. standard.
Delivery May 26th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 9B. 10th May, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver (silver value of Contract 9A).
At 28 per oz. standard.
Delivery about July 26th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 10A. 13th May, 1912.

Sold for the Secretary of State for India the silver value of Contract 9 (£73,000).
At $28\frac{1}{16}$ per oz. standard.
Delivery May 14th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 10B. 13th May, 1912.

Bought for the Secretary of State for India about £73,000 (silver equivalent of Contract 10A).
At $28\frac{1}{4}$ per oz. standard.
Delivery £53,000 about July 31st.
£20,000 „ „ 14th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 11A. 13th May, 1912.

Sold for the Secretary of State for India equivalent of Contracts 32–34, 10–12 (£97,000).
At $28\frac{1}{16}$ per oz. standard.
Delivery £6,000 May 16th.
£10,000 „ 17th.
£35,000 „ 18th
£46,000 „ 20th

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 11B. 13th May, 1912.

Bought for the Secretary of State for India about £97,000 (silver equivalent of Contract 11A).
At 28¼ per oz. standard.
Delivery about July 18th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 12A. 15th May, 1912.

Sold for the Secretary of State for India about £31,000 (silver equivalent of Contracts 39, 17, 18).
At 28 per oz. standard.
Delivery £11,000 May 18th.
£5,000 „ 27th.
£15,000 „ 28th.

(Sd.) SAMUEL MONTAGU & CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 12B. 15th May, 1912.

Bought for the Secretary of State for India about £31,000 (silver equivalent of Contract 12A).
At $28\frac{3}{16}$ per oz. standard.
Delivery £11,000 about July 18th.
£20,000 „ „ 27th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 13A. 17th May, 1912.

Sold for the Secretary of State for India about £70,000 (silver equivalent of contract 14).
At 28¼ per oz. standard.
Delivery May 22nd.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 13B. 17th May, 1912.

Bought for the Secretary of State for India about £70,000 (silver equivalent of 13A).
At $28\frac{7}{16}$ per oz. standard.
Delivery about July 22nd.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 14A. 17th May, 1912.

Sold for the Secretary of State for India about £15,000 (silver equivalent of contract 20).
At 28¼ per oz. standard.
Delivery May 29th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 14B. 17th May, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver (equivalent of contract 14A).
At $28\frac{7}{16}$ per oz. standard.
Delivery about July 29th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 15A. 13th August, 1912.

Sold for account of the Secretary of State for India the silver equivalent of contracts Nos. 80 and 81.
At $28\frac{5}{16}$ per oz. standard.
Delivery to-morrow, 14th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 15B. 13th August, 1912.

Bought for account of the Secretary of State for India the silver equivalent of contracts Nos. 80 and 81.
At 28⅜ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU & CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 16A. 15th August, 1912.

Sold for account of the Secretary of State for India about £10,000 bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery about 1 week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 16B. 15th August, 1912.

Bought for account of the Secretary of State for India about £10,000 bar silver, equivalent number of ounces represented by contract No. 16A.
At $28\frac{11}{16}$ per oz. standard.
Delivery about 1 month.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 17A. 30th August, 1912.

Sold for the Secretary of State for India about £10,000 fine bar silver (against contract 16B).
At $28\frac{13}{16}$ per oz. standard.
Delivery September 15th (about).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 18A. 4th September, 1912.

Sold for the Secretary of State for India about £50,000 fine bar silver.
At $28\frac{15}{16}$ per oz. standard.
Delivery within one week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London

No. 19A. 5th September, 1912.

Sold for the Secretary of State for India about £45,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery within a week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 20A. 6th September, 1912.

Sold for the Secretary of State for India about £75,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery cash within a week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 21A. 6th September, 1912.

Sold for the Secretary of State for India about £25,000 fine bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery about 2 months.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 22A. 20th September, 1912.

Sold for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery against contract 94.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 22B. 20th September, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{7}{8}$ per oz. standard.
Delivery Cash (shipped to-day).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. 23A. 20th September, 1912.

Sold for the Secretary of State for India about £10,000 fine bar silver.
At $28\frac{3}{4}$ per oz. standard.
Delivery against Contract 97.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 23B. 20th September, 1912.

Bought for the Secretary of State for India about £10,000 fine bar silver.
At 28¾ per oz. standard.
Delivery Cash (shipped to-day).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 24A. 23rd September, 1912.

Sold for the Secretary of State for India about £15,000 fine bar silver.
At 28¾ per oz. standard.
Delivery against Contract 98.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 24B. 23rd September, 1912.

Bought for the Secretary of State for India about £15,000 fine bar silver.
At 28¾ per oz. standard.
Delivery Cash this week.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 25A. 23rd September, 1912.

Sold for the Secretary of State for India about £5,000 fine bar silver.
At 28¾ per oz. standard.
Delivery against value of Contract 100 (£25,000 sold per Contract 21A).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 25B. 23rd September, 1912.

Bought for the Secretary of State for India about £5,000 fine bar silver.
At 28¾ per oz. standard.
Delivery Cash.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 26A. 23rd September, 1912.

Sold for the Secretary of State for India about £34,000 contract 88 at $28\frac{13}{16}$ per oz. standard.

£10,000	„	90	„	$28\frac{13}{16}$	„ „
£10,000	„	91	„	$28\frac{7}{8}$	„ „
£20,000	„	92	„	$28\frac{9}{16}$	„ „
£10,000	„	93	„	$28\frac{11}{16}$	„ „
£84,000					

Delivery October 16/31.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. 26B. 23rd September, 1912.

Bought for the Secretary of State for India about £44,000 at $28\frac{13}{16}$ per oz. standard.

£10,000	„	$28\frac{7}{8}$	„	„
£20,000	„	$28\frac{9}{16}$	„	„
£10,000	„	$28\frac{11}{16}$	„	„
£84,000				

Delivery Cash.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. A. 30th August, 1912.

Bought for the Secretary of State for India about £100,000 sycee silver, shipment from China in about a week to Bombay or Calcutta (sellers' option). Payment to be made in London on the day of delivery in India.
At $28\frac{13}{16}$ per oz. standard (equivalent of).

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. B. 30th August, 1912.

Bought for the Secretary of State for India about £100,000 in British dollars, shipment from China in about a week to Bombay or Calcutta (sellers' option). Payment to be made in London on the day of delivery in India.
At equivalent of $28\frac{13}{16}$ per oz. standard.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. C. 2nd September, 1912

Bought for the Secretary of State for India about £100,000 Sycee silver on same conditions as in Contract A.
At $28\frac{7}{8}$ per oz. standard (equivalent).
Delivery September shipment.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. D. 2nd September, 1912.

Bought for the Secretary of State for India about £100,000 British dollars, conditions as in Contract B.
At $28\frac{13}{16}$ per oz. standard (equivalent).
Delivery September shipment.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. E. 3rd September, 1912.

Bought for the Secretary of State for India about £100,000 Sycee silver on conditions given in Contract A shipment from China.
At $28\frac{7}{8}$ per oz. standard (equivalent).
Delivery shipment September 24th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. F. 3rd September, 1912.

Bought for the Secretary of State for India about £50,000 British dollars on conditions given in Contract B.
At $28\frac{7}{8}$ per oz. standard (equivalent).
Delivery shipment from China September 24th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. G. 4th September, 1912.

Bought for the Secretary of State for India about £100,000 Sycee silver on conditions mentioned in Contract A.
At $28\frac{15}{16}$ per oz. standard (equivalent).
Shipment from China September 24th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. H. 4th September, 1912.

Bought for the Secretary of State for India about £50,000 British dollars on conditions mentioned in Contract B.
At $28\frac{15}{16}$ per oz. standard (equivalent).
Shipment from China September 24th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.

No. I. 5th September, 1912.

Bought for the Secretary of State for India about £100,000 Sycee silver, conditions as per Contract A.
At $28\frac{7}{8}$ per oz. standard (equivalent).
Shipment from China 24th inst.

(Sd.) SAMUEL MONTAGU AND CO.

« SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. J. 5th September, 1912.

Bought for the Secretary of State for India about £50,000 in British dollars, conditions as per Contract B.
At $28\frac{7}{8}$ (equivalent) per oz. standard.
Shipment from China 24th inst.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. K. 6th September, 1912.

Bought for the Secretary of State for India about £100,000 Sycee silver on conditions mentioned in Contract A.
At $28\frac{7}{8}$ per oz. standard (equivalent).
Shipment from China September 10th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. L. 11th September, 1912.

Bought for the Secretary of State for India about £100,000 Sycee silver on the terms of Contract A.
At $28\frac{13}{16}$ per oz. standard (equivalent).
Shipment from China October 8th.

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. M. 11th September, 1912.

Bought for the Secretary of State for India about £500,000 Sycee silver on the terms of Contract A.
At $29\frac{1}{8}$ per oz. standard (equivalent of).
Delivery £200,000 shipment October 8th from China.
£300,000 „ „ 22nd „

(Sd.) SAMUEL MONTAGU AND CO.

SAMUEL MONTAGU AND CO.

60, Old Broad Street, London.
No. N. 11th September, 1912.

Bought for the Secretary of State for India about £100,000 British $ on the terms of Contract B.
At $29\frac{1}{8}$ per oz. standard (equivalent of).
Shipment from China October 8th/12th.

(Sd.) SAMUEL MONTAGU AND CO.

APPENDIX B.

STATEMENTS.

STATEMENT No. 1.

Mark.	Numbers of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
K	200	100; 52/77; 32/38; A 35/67; S.R. 39/66; 274/297; O.O. 436/500; G.P. 1/35; 773.	228,306·5	246,560·30
L	430	Q. 1/430	445,478·5	481,116·78
M	328	P. 1/328	345,438·25	373,073·31
N	150	5202/5259; 646/657; 25/29; 411; 3947/3957; 4046/4064; 4111/4129; 1247/1265; 1215/1227; 613.	170,180	183,757·15
O	220	N. 1/220	235,111·5	253,920·42
P	132	B.M.C. 19246/19269; U.M.S. 4177/4190; 4203/4213; 828855; C.R. 12301/12322; D.M. 3545/3554; B.P. 593/615.	144,054·5	155,536·40
Q	103	B.P. 409/454; 1747/1748; 427/450; 6751/6752; 65/93.	115,425·75	124,659·81
S	383	M. 1/383	404,955·5	437,351·94
	1,946		2,088,950·5	2,255,976·11

Contract Number.	Ounce Standard.	Price.	—		
			£	s.	d.
Balance 35 ...	117,733·71	$27\frac{1}{4}$	13,367	13	8
„ 46 ...	165,663·72	$28\frac{1}{4}$	19,500	0	0
	165,298·01	$28\frac{5}{16}$	19,500	0	0
„ 47 ...	64,001·	$28\frac{1}{8}$	7,500	0	0
	63,858·09	$28\frac{13}{16}$	7,500	0	0
„ 48 ...	342,857·12	28	40,000	0	0
	342,093·52	$28\frac{1}{16}$	40,000	0	0
„ 49 ...	25,600·	$28\frac{1}{8}$	3,000	0	0
	25,543·23	$28\frac{3}{16}$	3,000	0	0
„ 50 ...	938,666·66	$28\frac{1}{8}$	110,000	0	0
Part No. 8 ...	4,662·05	$26\frac{13}{16}$	520	16	9
	2,255,976·11		£263,888	10	5

E. & O. E.
London, 31st May, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 2.

Number of Shares.	Numbers in Bars.	Gross Ounces.	Ounces Standard.
411	01/411	432,364·75	466,953·93
98	6382/6479	106,712·75	115,249·77
509		539,077·5	582,203·70

Contract Number.	Ounces Standard.	Price.	—		
			£	s.	d.
23	179,020·96	$26\frac{13}{16}$	20,000	0	0
24	44,651·16	$26\frac{7}{8}$	5,000	0	0
26	132,413·79	$27\frac{3}{16}$	15,000	0	0
28	79,631·33	$27\frac{1}{8}$	9,000	0	0
Part 35	146,486·46	$27\frac{1}{4}$	16,632	6	4
	582,203·70		65,632	6	4

E. & O. E.
London, 31st May, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 3.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
207	C.P. 250/336; D.O. 331/427 ; 8212/8226; 7837/7863;333	240,733·75	259,983·62

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
51	257,718·12	$27\frac{15}{16}$	30,000 0 0
Part 8	2,265·50	$26\frac{13}{16}$	253 2 0
	259,983·62		30,253 2 0

E. & O. E.
London, 3rd June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 4.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
A	138	497/518; 3567/3573; 3584/3593; 1175/1273	158,876·25	171,586·35
B	380	8207/8210; 684/692; 20341/20420; L. 1/287	399,430·25	431,384·67
C	68	B.P. 126/193	80,037	86,439·96
D	134	5025/5071; 425/429; 1093/1174	160,500·5	173,340·54
	720		798,844	862,751·52

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
52	855,233·87	$28\frac{1}{16}$	100,000 0 0
Part 8	7,517·65	$26\frac{13}{16}$	839 17 3
	862,751·52		100,839 17 3

E. & O. E.
London, 4th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 5.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
H	68	3745/3747; 7993/8035; 8147/8168	79,979·5	86,322·76
A.A.	134	8227/8231; 5260/5305; W.N. 546/584; 8617/8660.	159,972	172,679·84
B.B.	101	383/395; N.C.C. 106/193	119,601·5	129,169·62
C.C.	69	658/726	80,007	86,407·56
D.D.	69	G.O. 729/732; 8427/8491	80,252·25	86,672·43
E.E.	136	3749/3751; 920/1031; 8169/8189	160,275·75	173,097·81
D. (P.A.)	105	B.E.R. 4986/5024; 337/382; 1938/9; 3353/3354; 3387/3401; X. 236.	123,742·75	133,642·17
	682		803,830·75	867,992·19

STATEMENT No. 5—*cont.*

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
53	857,142·85	28	100,000 0 0
Part 8	10,849·34	$26\frac{13}{16}$	1,212 1 6
	867,992·19		£101,212 1 6

E. & O. E.
London, 6th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 6.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
I	67	22/51; 5141/5148; 5158/5181; 5196/5200.	81,938·5	88,493·58
R	98	1568/1615; 780; 787; 841/842; 844; 849; 856; 861; 865; 867; 878; 135; 157; 2048; 396; 6740/6741; 6743/6744; 351; 6789; 6750; 381; 386/387; 390/391; 395/6; 291/292; 297; 301/302; 304; 308; 310; 316; 6966; 6969; 6973; 6982; 6986; 6988; 6993; 7028; 7033.	108,782·25	117,323·69
	162		190,720·75	205,817·27

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
54	171,428·56	28	20,000 0 0
Part 8	34,388·71	$26\frac{13}{16}$	3,841 17 3
	205,817·27		£23,841 17 3

E. & O. E.
London, 7th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 7.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
E	139	260/87; 1/25; 1/12; 60/84; 299; 300/6; 137/8; 145/7; 129; 151; 153; 156; 158/60; 165; 168; 170; 172; 175; 178; 784; 794; 827; 833; 836; 840; 846; 851; 862/3; 869; 134; 139; 141; 145; 162; 169; 346; 6768; 383; 464/6.	158,463·50	170,933·56
			158,463·50	170,933·56

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Balance 8 ...	119,337·71	$26\frac{13}{16}$	13,332 5 3
Part 38 ...	51,595·85	$27\frac{7}{16}$	5,898 11 9
	170,933·56		£19,230 17 0

E. & O. E.
London, 11th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 8.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
G	286	694/9 ; C. 20 ; 3021/34 ; 859 ; 874/83 ; 2647/60 ; 95/99 ; 330/44 ; 778/868 ; 3406/30 ; 8390/8404 ; 807/26 ; 161/72 ; 12130/82 ; 12093 ; 3260 ; 760.	320,322·75	345,925·90
U	162	693/777 ; 886/916 ; 1972/90 ; 4561/87 ...	185,391·5	200,222·82
	448		505,714·25	546,148·72

Contract Number.	Ounces Standard.	Price.	—		
			£	s.	d.
Balance 38 ...	202,071·56	$27\frac{7}{16}$	23,101	8	3
11 ...	89,302·32	$26\frac{7}{8}$	10,000	0	0
40 ...	235,636·34	$27\frac{1}{2}$	27,000	0	0
Part 41 ...	19,138·50	$27\frac{1}{2}$	2,192	19	1
	546,148·72		£62,294	7	4

E. & O. E.
London, June 14th, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 9.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
F F	158	748/865 ; 179/218	181,440	195,955·20
W	173	5369/5407 ; 8827/87 ; 861/74 ; 875/89 ; 1418/41 ; 1396/1415.	200,063	216,013·50
X	164	1416/17 ; 418/29 ; 45/60 ; 130/60 ; 4695/4703 ; 4733/60 ; 1702/67.	180,504·75	194,720·44
	495		562,007·75	606,689·14

Contract Number.	Ounces Standard.	Price.	—		
			£	s.	d.
55	592,070·43	$28\frac{3}{8}$	70,000	0	0
Part 41	14,618·71	$27\frac{1}{2}$	1,675	1	2
	606,689·14		£71,675	1	2

E. & O. E.
London, 20th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 10.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
80	23214/93	85,364	92,193·12
24	4822/4 ; 4844/64	24,585·25	26,552·07
64	8815/26 ; 8888/8921 ; 8924/41.	75,031·25	80,990·84
42	8492/8533 ...	49,112·25	53,008·82
33	660/92	38,507·25	41,587·83
105	173/277	122,925·25	132,759·27
29	364/92	33,284·25	35,946·99
22	7950/71	25,931·50	27,977·9
30	1940/52 ; 3434/50	32,821·50	34,707·22
21	7972/92	24,925	26,885·64
52	729/80	61,150	66,042
113	246/358	131,541·75	142,065·09
615		704,679·25	760,917·87

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 41	79,697·32	27 1/2	9,131 19 9
42	95,565·60	27 5/8	11,000 0 0
43	162,494·42	28 1/16	19,000 0 0
44	341,333·33	28 1/8	40,000 0 0
Part 56	81,827·20	28 7/16	9,695 13 5
	760,917·87		£88,827 13 2

E. & O. E.
London, 21st June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 11.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
G G	272	1/272	283,048·50	305,692·38
H H	198	6327/5 ; 917/53 ; 4128/76 ; 4376/4402 ; 4423/63.	215,051·00	232,255·08
	470		498,099·50	537,947·46

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 56 ...	297,953·00	28 7/16	35,304 6 7
Part 2 ...	239,994·46	26 3/4	26,749 7 8
	537,947·46		£62,053 14 3

E. & O. E.
London, 21st June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 12.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
197	5306/5368; W.P. 954/1000; N.P. 1/19; 8319/8340; 8361/8382; 8755/8775.	232,102	250,643·65

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
57 ...	76,623·62	$28\frac{9}{16}$	9,000 0 0
Part 58 ...	175,020·03	$28\frac{9}{16}$	20,829 4 2
	250,643·54		£29,829 4 2

E. & O. E.
London, 24th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 13.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
J.	272	19/24; 188/196; 233/237; 239; 242; 244/245; 248; 251; 254; 365; 366; 3665; 2347; 290; 297; 300; 305; 313; 498; 501; 504; 4936; 4970; 4980; 4803; 4813; 4824/5; 4831; 4454/5; 4458; 973; 9756; 9758; 4883; 4887; 4889; 49; 5190; 590; 610; 624; 650; 5305; 5317; 5324; 5348; 5352; 5355; 5357; 212; 218; 222; 223; 225; 479; 490; 6873; 6879; 451; 460/461; 472; 467; 468; 475; 477; 483; 495; 497; 505; 820; 850; 872; 167; 391; 394; 6747; 345; 347; 352; 6775; 393; 220; 288; 296; 299; 303; 315; 16; 17; 97; 153; 158; 203; 205; 212; 245; 262; 265; 297; 302; 313; 320; 322; 351; 368; 6835; 6666; 453; 829; 913; 3666/7; 3670/1; 2332; 2336/7; 2340; 2342; 2344; 2348; 433; 444; 450; 294; 315; 7836; 7838; 7853; 356; 9094; 4928; 49; 30/1; 4974; 498; 4805; 4835; 4451; 4456/7; 4460; 9747; 9759; 9762; 4897; 53; 55; 5175; 5178/9; 5187; 5194; 574; 577; 591; 601; 619; 626; 629/632; 635; 637; 639; 642; 645/6; 655; 659/660; 673; 676; 5304; 5312/4; 5320; 5326; 8344; 5351; 5353; 5359; 217; 219; 221; 227; 475; 487; 489; 495; 6864; 6866; 6869; 6871; 6874; 6878; 6882; 6884; 454; 465; 11188; 16248; 463/4; 494; 506; 292/297; 7; 12; 15; 18; 21; 23/4; 45; 53; 56/7; 59; 65/6: 68; 70; 77/8; 85; 90; 104/5; 117; 126: 192; 224; 229; 231; 234/5; 257; 259; 278; 286; 288; 296; 303; 318.	302,185	326,264·84
K.K.	244	1778/1839; 442/448; 1282/1296; 81/85; 1618/1700; 4550; 60; 1296/1322; 1069/1102.	277,981·5	299,826·06
	516		580,166·5	626,090·90

STATEMENT No. 13—*cont.*

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 58 ...	497,190·03	$28\frac{9}{16}$	59,170 15 10
59 ...	67,221·00	$28\frac{9}{16}$	8,000 0 0
Part 2 ...	29,164·40	$26\frac{2}{4}$	3,250 12 4
„ 2 ...	32,515·47	$26\frac{11}{16}$	3,615 13 0
	626,090·90		£74,037 1 2

E. & O. E.
London, 24th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 14.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
J.J.	171	913/950 ; 1/12 ; 4640/4663 ; 9034/9108 ; 9012/9033	196,930·25	212,589·75
L.L.	95	61/77 ; 161/186 ; 34/44 ; 89/129	106,887·75	115·227·30
	266		303,818	327,817·05

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
69 ...	210,989	$28\frac{7}{16}$	25,000 0 0
Finish 2 ...	57,414·27	$26\frac{11}{16}$	6,384 7 0
Part 1 ...	59,413·78	$26\frac{5}{8}$	6,591 4 4
	327,817·05		£37,975 11 4

E. & O. E.
London, 25th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 15.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
M.M	167	300/360 ; 362/364 ; 366/368 ; 370/380 ; 56/105 ; 4971/4989 ; 5053/5056 ; 305/318 ; 39 ; 43.	174,982	188,978·65

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
61... ...	110,198·67	$28\frac{5}{16}$	13,000 0 0
Finish 1	30,727·06	$26\frac{5}{8}$	3,408 15 8
Part 7... ...	48,052·92	$26\frac{7}{8}$	5,380 18 6
	188,978·65		£21,789 14 2

E. & O. E.
London, 26th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 16.

Mark.	Numbers of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
T	407	S. 1/407	420,664	454,317·12
V	260	R. 1/260	272,938·25	294,774·39
Y	88	319847/855 ; 869/875 ; 432/453 ; 2568/2575 ; 2617/2625 ; 2639/2647 ; 13854/13862 ; 4499/4511.	99,915	10,867·75
F	139	430/432 ; 693 ; 217/253 ; 22/24 ; 1157/92 ; 1194/1200 ; 8383/8389 ; 787 ; 1838 ; 8104/8146.	158,900·5	171,550·34
N.N	173	3710/3730 ; 919/938 ; 1465/1488 ; 3439/5458 ; 5459/5473 ; 733/757 ; 601/630 ; 12772/12789.	119,515	215,417·23
P.P	100	12679/12726 ; 190/241	112,109·5	121,078·26
S.S	129	8942/8963 ; 129/142 ; 11887/11922 ; 110/112 ; 1436/1448 ; 242/282.	146,938·25	158,693·31
R.R	100	12530/12580 ; 100/104 ; 106 ; 9109/9151 ...	112,601·25	121,554·73
T.T	167	5842/5852 ; 5860/5866 ; 5868/5897 ; 5194/5197 ; 5233/5244 ; 5256/5259 ; 22/31 ; 144/161 ; 175/205 ; 216/226 ; 228/235 ; 246/252 ; 254/267.	159,140·75	171,642·55
U.U	84	396/403 ; 49/53 ; 44/48 ; 61/67 ; 25/31 ; 6354/6366 ; 1/21 ; 486/488 ; 5853/6 ; 11430/1432 ; 3052/3 ; 11,639/44.	89,928·25	97,039·36
V.V	71	1360/1368 ; 62/68 ; 886/891 ; 1244/1247 ; 360/377 ; 153/157 ; 6078/6096 ; 1357/9.	82,015	88,487·86
	1,718		1,854,666·75	2,002,422·91

Contract Number.	Ounces Standard.	Price.	—		
			£	s.	d.
Finish 7	130,551·72	26$\frac{7}{8}$	14,619	1	6
21	107,663·54	26$\frac{3}{4}$	12,000	0	0
B 1	902,105·78	27$\frac{1}{2}$	103,366	5	9
B 2	679,254·81	27$\frac{1}{2}$	77,831	5	7
B 4	88,275·86	28$\frac{1}{16}$	10,321	16	9
Part 62	94,571·20	28$\frac{3}{8}$	11,181	1	6
	2,002,422·91		£229,319	11	1

E. & O. E.
London, 27th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 17.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
—	114	16910/16921 ; 3008 ; 182/194 ; 16937/6981 ; 16820/16829 ; 2429/30 ; 3201/3202 ; 2424 ; 2427/2428 ; 2431/2451 ; 16851 ; 12802/12803 ; 3291/3292	135,138	146,273.04
—	161	59/60 ; 11173/11183 ; 4469/4569 ; 4570/4572 ; 5425/5467 ; 1753	174,047	287,963.16
—	110	635/713 ; 3594/3601 ; 1045/1067	126,625·75	136,755.81
—	385		436,110·75	470,992.01

Contract No.	Ounces Standard.	Price.	—
Part 62	470,902·01	28$\frac{3}{8}$	£55,684

E. & O. E.
London, 27th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 18.

	Gross Ounces.	Ounces Standard.
South American Silver Dollars ·898 fine.	80,088·25	77,750·53

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 62 ...	68,798·02	$28\frac{3}{8}$	8,133 18 8
Part B5	8,952·51	$28\frac{1}{4}$	1,053 15 8
	77,750·53		£9,187 14 4

E. & O. E.
London, 27th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 19.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
XX	176	28/3311; 54/9; 11/53; 155/178; 13/18; 8492; 1328/1345; 816; 1248/1261; 1325/1326.	201,569·25	217,620·18

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Part 63	217,620·18	$28\frac{1}{4}$	25,615 14 2

E. & O. E.
London, 28th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 20.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
218	1/218	228,592·25	246,879·63
107	42/139; 1/9	123,834·5	133,741·26
49	145/155; 663/700	52,067	56,232·36
374		404,493·75	436,853·25

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Part No. 63 ...	436,853·25	$28\frac{1}{4}$	51,421 5 4

E. & O. E.
London, 28th June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 21.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
W.W.	148	12743/12760; 12769; 338/350; 172 173; 3898; 624/662; 12653/12678; 4872/4914; 150/154	160,431	173,265·48

Contract No.	Ounces Standard.	Price.	—
			£ s. d.
Part 63	173,265·48	28¼	20,394 15 10

E. & O. E.
London, 23rd June, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 22.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
60	113/28; 920/963	65,034·25	70,236·99
116	11950/12065	124,720	134,697·60
176		189,754·25	204,934·59

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 63 ...	21,818·63	28¼	2,568 4 8
„ B 5 ...	167,599·21	28¼	19,727 16 5
Part B 3 ...	15,516·75	28⅛	1,818 7 5
	204,934·59		24,114 8 6

E. & O. E.
London, 1st July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 23.

DEBIT NOTE for BROKERAGE on silver delivered on or before 29th June, 1912, as per Contracts detailed below.

Contract Number.	Sterling Amount.	Contract Number.	Sterling Amount.	Contract Number.	Sterling Amount.
Part 1	£10,000	42	£11,000	55	£70,000
2	40,000	43	19,000	56	45,000
7	20,000	44	40,000	57	9,000
8	20,000	45	30,000	58	80,000
Part 11	10,000	46	39,000	59	8,000
21	12,000	47	15,000	60	25,000
23	20,000	48	80,000	61	13,000
24	5,000	49	6,000	62	75,000
26	15,000	50	110,000	Part 63	95,000
28	9,000	51	30,000	B 1	101,000
38	29,000	52	100,000	B 2	76,000
40	27,000	53	100,000	B 4	10,000
41	13,000	54	20,000		Total £1,437,000

Brokerage ⅛% on £1,437,000 ... ... £1,796 5*s.*

E. & O. E.
London, 1st July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 24.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
J.	281	179/199 ; 298/320 ; 913/926 ; 6/27 ; 32 ; 54/73 ; 226 ; 494 ; 496 ; 498 ; 452/453 ; 455 ; 11189 ; 461/462 ; 466 ; 471/472 ; 478 ; 480 ; 484 ; 486 ; 487 ; 490 ; 500/502 ; 508 ; 231/232 ; 323 ; 325 ; 329 ; 341 ; 352 ; 347 ; 361 ; 363 ; 365 ; 367 ; 270 ; 6807 ; 6811 ; 6816 ; 6819 ; 445 ; 454 ; 664 ; 13/22 ; 26/54 ; 821 ; 864 ; 868 ; 871 ; 136 ; 371 ; 979 ; 822 ; 824 ; 834 ; 838 ; 859 ; 866 ; 873 ; 877 ; 138 ; 142 ; 159 ; 354/355 ; 6780 ; 6784 ; 6787 ; 6749 ; 385 ; 388 ; 392 ; 703 ; 287 ; 290 ; 293/295 ; 298 ; 305 ; 307 ; 309 ; 311 ; 238 ; 240/241 ; 243 ; 247 ; 359/360 ; 364 ; 367 ; 210 ; 234 ; 135 ; 249 ; 267 ; 369 ; 370 ; 376 ; 377 ; 379 ; 381 ; 384 ; 387 ; 391/392 ; 394/400 ; 402/404 ; 5186 ; 5190 ; 5193 ; 5195 ; 5197/5198 ; 575 ; 581 ; 583/4 ; 589 ; 602 ; 608/9 ; 611 ; 613 ; 615 ; 623 ; 625 ; 633 ; 640 ; 644 ; 648 ; 651/3 ; 663.	314,991·75	339,991·09

	Contract Number.	Ounces Standard.	Price.	—
				£ s. d.
	Part 64	339,991·09	$28\frac{1}{8}$	39,842 14 1

E. & O. E.
London, 2nd July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 25.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
129	444/492 ; 92/171	150,551·25	162,595·35
77	494/570	88,472·75	95,550·57
61	6822/6882	66,780·25	72,122·67
425	V. 1/425	435,437·5	470,272·50
316	V. 1/316	329,950	356,346·00
1,008		1,071,191·75	1,156,887·09

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 64 ...	1,342·24	$28\frac{1}{8}$	157 5 11
Finish B 3 ...	119,062·68	$28\frac{1}{8}$	13,952 13 2
B 6 ...	422,669·78	$28\frac{1}{4}$	49,751 15 1
30 ...	44,547·56	$26\frac{15}{16}$	5,000 0 0
B 8 ...	313,286·70	28	36,550 2 4
65 ...	195,831·47	$28\frac{3}{16}$	23,000 0 0
Part B 10 ...	60,146·66	$28\frac{1}{4}$	7,079 15 3
	1,156,887·09		£135,491 11 9

E. & O. E.
London, 4th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 26.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
73	5300/5324 ; 5330/5377	75,504·5	81,544·86
48	585/632	55,382·75	59,813·37
121		130,887·25	141,358·23

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
66 ...	102,400	28⅛	12,000 0 0
Part B 10 ...	38,958·23	28¼	4,585 14 2
	141,358·23		£16,585 14 2

E. & O. E.
London, 5th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 27.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
N.M.	306	5523/5597 ; 715/743 ; 287/381 ; 354/417 ; 9445/9487.	365,737	394,973·15
S.M.	93	1464/1490 ; 984/994 ; 1491/1529 ; 1641/1642 ; 1644/1646 ; 1648 ; 1650/1655 ; 1657 ; 1660/1662.	120,031·75	129,432·88
	399		485,768·75	524,406·03

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish B 10 (part	79,499·75	28¼	9,357 15 8
31 ...	53,210·16	27 1/16	6,000 0 0
36 ...	44,036·69	27½	5,000 0 0
10 ...	179,020·96	26 13/16	20,000 0 0
Part B 11) ...	168,638·47	28¼	19,850 3 1
	524,406·03		£60,207 18 9

E. & O. E.
London, 11th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 28.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
416	W. 1/416	433,782·5	468,485·10
106	10/115	123,940·5	133,855·74
43	9195/9237	50,565·75	54,542·32
65	9362/9404 ; 9407/9428.	76,290	82,329·79
43	1/43	50,218·25	54,204·12
673		734,797	793,417·07

STATEMENT No. 28—*continued.*

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Finish B 11 ...	696,722·48	$28\frac{1}{4}$	82,010 0 10
Part B 12 ...	96,218·67	$28\frac{3}{16}$	11,300 13 8
Part 12 ...	475·92	$26\frac{7}{8}$	53 5 10
	793,417·07		93,364 0 4

E. & O. E.
London, 11th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 29.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
M.S.	340	5598/5656 ; 468/504 ; 144/165 ; 1544/1676 ; 5599/5622 ; 5863/5883 ; 47/90.	394,073·25	425,571·44
C.S.	323	651/673 ; 408/455 ; X. 1/252	346,693	374,428·44
	663		740,766·25	799,999·88

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Finish 12 ...	35,245·01	$26\frac{7}{8}$	3,946 14 2
B 7 ...	44,651·16	$27\frac{13}{16}$	15,547 7 6
B 7 ...	89,510·48	$27\frac{13}{16}$	
B 13 ...	623,665·84	$28\frac{7}{16}$	73,897 18 1
Part 45	6,927·39	$28\frac{1}{8}$	811 16 1
	799,999·88		94,203 15 10

E. & O. E.
London, 17th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 30.

Bought on Account of—
Bar Silver as per Contracts detailed below :—

Contract Number.	Ounces Standard.	Price.	——
			£
Part 1	360,563·36	$26\frac{5}{8}$	40,000
3	134,579·43	$26\frac{3}{4}$	15,000
4	359,718·97	$26\frac{11}{16}$	40,000
5	62,950·81	$26\frac{11}{16}$	7,000
6	313,286·70	$26\frac{13}{16}$	35,000
9	651,906·97	$26\frac{7}{8}$	73,000
Part 10	313,286·71	$26\frac{13}{16}$	35,000
„ 11	44,651·16	$26\frac{7}{8}$	5,000
„ 12	410,790·69	$26\frac{7}{8}$	46,000
13	89,510·48	$26\frac{13}{16}$	10,000
14	623,665·89	$26\frac{15}{16}$	70,000
15	133,953·48	$26\frac{7}{8}$	15,000
16	313,286·68	$26\frac{13}{16}$	35,000
17	44,755·24	$26\frac{13}{16}$	5,000
18	133,953·48	$26\frac{7}{8}$	15,000
19	223,255·80	$26\frac{7}{8}$	25,000
20	134,265·72	$26\frac{13}{16}$	15,000

STATEMENT No. 30—*continued.*

Bought on account of—*continued.*

Contract.	Ounces Standard.	Price.	—
			£
22	161,118·86	$26\frac{13}{16}$	18,000
25	176,958·52	$27\frac{1}{8}$	20,000
27	264,927·58	$27\frac{3}{16}$	30,000
29	53,457·07	$26\frac{15}{16}$	6,000
32	53,210·10	$27\frac{1}{16}$	6,000
33	204,444·44	27	23,000
34	88,073·39	$27\frac{1}{4}$	10,000
37	88,275·86	$27\frac{3}{16}$	10,000
39	96,218·67	$27\frac{7}{16}$	11,000
	5,534,966·12		620,000
		Brokerage $\frac{1}{8}$%	775
			620,775

E. & O. E.
London, 24th July, 1912.
SAMUEL MONTAGU & Co.

Sold on account of—

Bar Silver as per contracts detailed below :—

Contract.	Ounces Standard.	Price.	—		
			£	*s.*	*d.*
No. 1A	902,105·78	$27\frac{3}{8}$	102,896	8	10
„ 2A	679,254·81	$27\frac{5}{16}$	77,300	12	3
„ 3A	134,579·43	28	15,700	18	8
„ 4A	88,275·86	$27\frac{15}{16}$	10,275	17	3
„ 5A	176,551·72	$28\frac{1}{16}$	70,063	4	5
„ 6A	422,669·78	$28\frac{1}{16}$			
„ 7A ...	44,651·16	$27\frac{11}{16}$	15,477	10	0
	89,510·48	$27\frac{11}{16}$			
„ 8A	313,286·70	$27\frac{13}{16}$	51,828	12	3
„ 9A	133,953·48	$27\frac{13}{16}$			
„ 10A	651,906·97	$28\frac{1}{16}$			
„ 11A ...	53,210·16	$28\frac{1}{16}$	140,778	0	3
	88,073·39	$28\frac{1}{16}$			
	410,190·69	$28\frac{1}{16}$			
	313,286·71	$28\frac{1}{16}$	36,631	14	0
„ 12A	274,927·39	28	32,074	17	3
„ 13A	623,665·89	$28\frac{1}{4}$	89,214	17	5
„ 14A	134,265·72	$28\frac{1}{4}$			
	5,534,966·12		642,244	12	7

E. & O. E.
London, 24th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 31.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
A.B.	128	91/142 ; 824/893 ; 4315/4320	148,148·75	159,980·05
A	237	14114/14199 ; 14291/14311 ; 14243/14290 ; 14321/14385 ; 1798/1814.	273,395	295,257·62
K	75	4254/4267 ; 4305/4335 ; 459/488	82,891	89,522·28
	440		504,434·75	544,759·95

STATEMENT No. 31—*continued.*

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 45 ...	78,405·94	28⅛	9,188 3 11
9 B ...	133,953·48	28	15,627 18 1
Part 12 B ...	44,755·24	28 3/16	20,988 19 4
14 B ...	134,265·72	28 3/16	
Part 10 B ...	19,426·09	28¼	2,286 12 3
	544,759·95		£64,000 15 5

E. & O. E.
London, 24th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 32.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
382	Y 1/382	402,108·25	434,276·93
17	25469 ; 25532/25537 ; 25539/25548.	18,147·5	19,599·31
399		420,255·75	453,876·24

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 10 B ...	433,876·24	28¼	53,425 0 3

E. & O. E.
London 24th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 33.

DEBIT NOTE for BROKERAGE on silver delivered from 1st July to 25th July, 1912, as per contracts detailed below :—

Contract Number.	Sterling Amount.	Contract Number.	Sterling Amount.	Contract Number.	Sterling Amount.
Part 10	£20,000	65	£23,000	B 10	£73,000
„ 12	4,000	66	12,000	B 11	97,000
30	5,000	B 3	15,000	B 12	31,000
31	6,000	B 5	20,000	B 13	70,000
36	5,000	B 6	47,000	B 14	15,000
45	10,000	B 7	15,000		
Part 63	5,000	B 8	35,000		
64	40,000	B 9	15,000		Total £563,000

Brokerage ⅛% on £563,000 ... ... £703 15*s.*

E. & O. E.
London, 25th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 34.

DEBIT NOTE of charges connected with the Deposit of 11,227 Silver bars in the Bank of England.

Bank of England Rent charges

4 pence a bar per month.

3,732 bars	...	...	3 months at 4*d.* per month		...	...	£186	12 0
5,031 bars	...	...	2 months	„	„	...	...	167	14 0
2,464 bars	...	...	1 month	„	„	...	...	41	1 4
11,227 bars							£395	7 4

As the above bars were deposited at varying dates in each month, these fees cover the rent to corresponding dates in August.

Cartage to Bank of England, police protection of carmen, &c. ...	...	90	0 0
		£485	7 4

E. & O. E.
London, 25th July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 35.

Number of Bars	Numbers on Bars.	Gross Ounces.	Ounces Standard.
35	230/264	40,769·75	43,987·25
43	B. 187/239	50,187	54,147·70
57	V.O. 143/199	66,225·5	71,523·54
65	39/103	74,588·5	80,555·58
8	208/209; P.P. 98 903/906	9,424·25	10,178·19
208		241,195	260,392·26

Contract Number.	Ounces Standard.	Price.	—
67	259,459·44	27¾	£ 30,000 s. 0 d. 0
Balance to be accounted for on next contract	932·32		
	260,392·26		

E. & O. E.
London, 31st July, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 36.

—	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
	—	M.S. 5282; 1089/1092; C.P. 174/194; 1/25; J.M.C. 152/167; 170/178; H.P. 749/753; L.O. 440/454; 1572/1608; 1609/1646; 25468/25478; 25480/25531; 25538; 2568/2573; 1749/1786; 415/436; U.M.S. 6499/6528; U.M.S. 6560/6576; Z. 1/20; Z. 22/50; Z. 75; Z. 96; Z. 101/177; 52/66; 104/112; R. 4801/4880; 1390/1457; 1459/1460; 1462; 1458; 157/219.	—	—
	714	Brought forward from Statement No. 35	816,808·5	881,285·90 932·82
				882,218·72

STATEMENT No. 36—*continued.*

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
69	868,778·20	$27\frac{5}{8}$	100,000 0 0
Balance to be accounted for on a succeeding contract.	13,440·52		
	882,218·72		

E. & O. E.
London, 2nd August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 37.

—	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
—	—	E.P. 410/476; S. & R. 417/503; D.M. 4014/4023; D.M. 4039/4048; 1689/1713; T.N. 650/662; V.O. 200/232; R.P. 24/25; V.O. 266/345; Y.O. 257/367; E.P. 959/1000; V.P. 1/138.	—	—
	518		612,175·5	661,059·24
		Brought forward from Statement No. 36		13,440·52
				674,499·76

Contract Number.	Ounces Standard.	Price.	——
		d.	£ s. d.
70	130,612·23	$27\frac{9}{16}$	15,000 0 0
71	521,266·92	$27\frac{5}{8}$	60,000 0 0
Part 73	22,620·61	$27\frac{5}{8}$	2,603 14 6
	674,499·76		77,603 14 6

E. & O. E.
London, 7th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 38.

—	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
	436	D.M. 3808; 979/982; C.R. 12213/12219; C.P. 195/226; B.E.R. 5658/5682; 459/501; 532/574; Y.O. 246/280; N.C.C. 1787/1850; 759/795; 5547/5575; 5542/5546; 5576/5598; 796/813; 150/163; 344/374; 1784/1808.	507,916	548,287·34

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Finish 73 ...	64,257·21	$27\frac{5}{8}$	7,396 5 6
74 ...	433,408·55	$27\frac{11}{16}$	50,000 0 0
Part 76 ...	50,621·58	$28\frac{1}{16}$	5,919 0 8
	548,287·34		63,315 6 2

E. & O. E.
London, 8th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 39.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
173	502/529 A. 1/145	185,885	200,719·91

Contract Number.	Ounces Standard.	Price.	—
Finish 76 ...	163,186·87	$28\frac{1}{16}$	19,080 19 4
Part 78 ...	37,533·04	$28\frac{1}{16}$	4,388 12 7
	200,719·91		23,469 11 11

E. & O. E.
London, 9th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 40.

Expenses on shipment of 1483 silver bars and one box of assays per s.s. "Macedonia" to Bombay.

	£ s. d.	£ s. d.	£ s. d.
Freight £200,000 at 10*s.* per cent.			1,000 0 0
Port of London Dock dues at 1½*d.* per cent.			12 10 0
Five sets of Bills of Lading			0 12 6
Marking cartage &c. 1,483 bars at 1*s.* per bar			74 3 0
One box for assays			4 6
Insurance £100,000 at 1*s.* 6*d.* per cent.		75. 0 0	
Stamp and policy		0 0 1	
		75 0 1	
Less 2½ per cent. on £75	1 17 6		
Less 10 per cent. on £71 5*s.*	7 2 6—	9 0 0	66 0 1
Insurance £106,000 at 2*s.* per cent.		106 0 0	
Stamp and policy		0 0 1	
		106 0 1	
Less 2½ per cent. on £106	2 13 0		
Less 10 per cent. on £100 14*s.*	10 1 4	12 14 4	93 5 9
			1,246 15 10

E. & O. E.
London, 9th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 41.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
A.D.	223	V.P. 193/283 ; V.P. 301/391 ; Y.O. 440/480	261,072·5	281,958·30

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Finish 78 ...	261,798·79	$28\frac{1}{16}$	30,611 7 5
Balance to be appropriated against next cash Contract.	20,159·51		
	281,958·30		

E. & O. E.
London, 13th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 42.

Mark.	Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
	18	Y.O. 481/498	20,635	22,285·80
		Brought forward from Statement No. 41		20,159·51
				42,445·31

Contract Number.	Ounces Standard.	Price.	—
83	42,384·10	$28\frac{5}{16}$	£5,000
Balance to be appriated against next cash contract.	61·21		
	42,445·31		

E. & O. E.
London, 14th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 43.

—	Number of Bars.	Number on Bars.	Gross Ounces.	Ounces Standard.
	199	5795/5837 ; Y.P. 392/500 ; 1812/1815 ; 1/43.	232,166·5	250,739·82
		Brought forward from Statement No. 42 ...		61·21
				250,801·03

Contract Number.	Ounces Standard.	Price.	—
86	250,434·78	$28\frac{3}{4}$	£30,000 0 0
Balance to be appropriated against next cash contract.	366·25		
	250,801·03		

E. & O. E.
London, 15th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 44.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
249	B. 301/549	258,619·75	279,309·33
	Brought forward from Statement No. 43		366·25
			£279,675·58

STATEMENT No. 44—*continued.*

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Part 75	279,675·58	$28\frac{3}{16}$	32,847 6 3

E. & O. E.
London, 19th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 45.

Bought on account of :—

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
Part 75	85,144·12	$28\frac{3}{16}$	10,000 0 0
		Brokerage $\frac{1}{8}$%	12 10 0
			£10,012 10 0

Sold on account of :—

Contract Number.	Ounces Standard.	Price.	——
			£ s. d.
16A	85,144·12	$28\frac{3}{4}$	10,199 11 1
	Cr. by difference ...		£187 1 1

E. & O. E.
London, 19th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 46.

Expenses on Shipment of 3,444 Silver Bars and one box of Assays per s.s. "Morea" to Bombay. The box contains the Assays of the whole Assignment.

	£ s. d.	£ s. d.	£ s. d.
Freight £500,000 at 10*s.* per cent.			2,500 0 0
Port of London Dock Dues at 1½*d.* per cent.			31 5 0
Eleven sets of Bills of Lading			1 17 6
One box for assays			0 4 6
Marking cartage, etc.—3,444 bars at 1*s.* per bar			172 4 0
Insurance £200,000 at 1*s.*		150 0 0	
Stamps and Policies		0 0 2	
		150 0 2	
Less 2½ per cent. on £150	3 15 0		
Less 2¼ per cent. on £142 10*s.*	14 5 0		
		18 0 0	132 0 2
Insurance £315,000 at 2*s.* per cent.		315 0 0	
Stamps and Policies		0 0 4	
		315 0 4	
Less 2½ per cent. on £315	7 17 6		
Less 10 per cent. on £299 5*s.*...	29 18 6		
		37 16 0	277 4 4
			3,114 5 6

E. & O. E.
London, 23rd August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 47.

Expenses on Shipment of 1,792 Silver Bars and one box of Assays per ss. "Colaba" to Calcutta. The box contains the assays of the whole consignment.

				£	s.	d.
Freight of £250,000 at 10*s.* per cent.				1,250	0	0
Port of London Dues, at 1½*d.* per cent.				15	12	6
Nine sets of Bills of Lading				1	2	0
One box for Assays				0	4	6
Marking, Cartage, etc., 1,792 bars at 1*s.* per bar				89	12	6
Insurance, £200,000 at 1*s.* 6*d.*			150 0 0			
Stamps and Policies			0 0 2			
			150 0 2			
Less 2½ per cent. on £150	3 15 0					
Less 10 per cent. on £142 10*s.*	14 5 0					
			18 0 0			
				132	0	0
Insurance, £57,500 at 2*s.* per cent.			57 10 0			
Stamp and Policy...			0 0 1			
			57 10 1			
Less 2½ per cent. on £57 10*s.*	1 8 9					
Less 10 per cent. on £54 12*s.* 6*d.*	5 9 3					
			6 18 0			
				50	12	1
				£1,539	3	9

E. & O. E.

London, 23rd August, 1912.

SAMUEL MONTAGU & Co.

STATEMENT No. 48.

Bought on account of :—

Contract Number.	Ounces Standard Bar Silver.	Price.	—		
			£	s.	d.
80	51,086·47	28 3/16	6,000	0	0
81	298,666·66	28⅛	35,000	0	0
	349,753·13		41,000	0	0
		Brokerage ⅛%	51	5	0
			41,051	5	0

Sold on account of :—

Contract Number.	Ounces Standard Bar Silver.	Price.	—		
			£	s.	d.
15 A ...	349,753·13	28 5/16	41,259	18	9
	Cr. by difference ...		£208	13	9

E. & O. E.

London, 26th August, 1912.

SAMUEL MONTAGU & Co.

STATEMENT No. 49.

DEBIT NOTE for BROKERAGE on silver delivered from 26th July to 26th August, 1912, as per contracts delivered below :

Contract Number.	Sterling Amount. £	s.	d.
67	30,000	0	0
69	100,000	0	0
70	15,000	0	0
71	60,000	0	0
73	10,000	0	0
74	50,000	0	0
Part 75	32,847	6	3
76	25,000	0	0
78	35,000	0	0
83	5,000	0	0
86	30,000	0	0
	£392,847	6	3

Brokerage $\frac{1}{8}$ % on £392,847 6 3 ... ... £491 1 2

E. & O. E.
London, 26th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 50.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
477	S.P. 817/861; 114/120; D. 1/425.	512,774·75	553,788·32
477		512,774·75	553,788·32

Contract Number.	Ounces Standard.	Price.	— £	s.	d.
85...	378,118·12	$28\frac{9}{16}$	45,000	0	0
75...	171,588·25	$28\frac{3}{16}$	20,152	13	9
Balance to be appropriated against next contract due.	4,081·95		—		
	553,788·32		£65,152	13	9

E. & O. E.
London, 27th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 51.

Expenses on shipment of *1,822 Silver Bars* and one box per s.s. "Somali" to Calcutta :—

	£ s. d.	£ s. d.
Freight £250,000 at 10*s.* per cent.		1,250 0 0
Port of London dues at 1½*d.* per cent.		15 12 6
4 sets of *Bills of Lading*		0 10 0
One box		0 4 6
Marking, Cartage, &c.—1,822 bars at 1*s.* per bar		91 2 0
Insurance £200,000 at 1*s.* 6*d.* per cent.	150 0 0	
Stamps and Policies	0 0 2	
	150 0 2	
£ *s.* *d.*		
Less 2½ per cent. on £150 0 0	3 15 0	
Less 10 per cent. on 142 10 0	14 5 0	
	18 0 0	
		132 0 2
Insurance £57,500 at 2*s.* per cent.	57 10 0	
Stamps and Policy 0 0 1	0 0 1	
	57 10 1	
Less 2½ per cent. on £57 10 0	1 8 9	
Less 10 per cent. on 54 12 6	5 9 3	
	6 18 0	
		50 12 1
		£1,540 1 3

E. O. E.

London, 30th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 52.

Expenses on shipment of *1,881 Silver Bars* and *one box* per s.s. "Egypt" to *Bombay* :—

	£ s. d.	£ s. d.
Freight £250,000 at 10*s.* per cent.		1,250 0 0
Port of London dues at 1½*d.* per cent.		15 12 6
5 sets of *Bills of Lading*		0 12 6
One box		0 4 6
Marking, Cartage, &c.—1,881 bars at 1*s.* per bar		94 1 0
Insurance £200,000 at 1*s.* 6*d.* per cent.	150 0 0	
Stamps and Policies	0 0 2	
	150 0 2	
£ *s.* *d.*		
Less 2½ per cent. on £150	3 15 0	
Less 10 per cent. on £142 10*s.*	14 5 0	
	18 0 0	
		132 0 2
Insurance £57,500 at 2*s.* per cent.	57 10 0	
Stamp and Policy	0 0 1	
	57 10 1	
£ *s.* *d.*		
Less 2½ per cent. on £57 10*s.*	1 8 9	
Less 10 per cent. on £54 12*s.* 6*d.*	5 9 3	
	6 18 0	
		50 12 1
		£1,543 2 9

E. O. E.

London, 30th August, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 53.

Expenses on shipment of *1,706 Silver Bars* and *One box* per s.s. "Golconda" to Calcutta :—

	£ s. d.	£ s. d.
Freight £250,000 at 10*s.* per cent.		1,250 0 0
Port of London dues at 1½*d.* per cent.		15 12 6
6 sets of *Bills of Lading*		0 15 0
One box		0 4 6
Marking, Cartage, &c.—1,706 bars at 1*s.* per bar		85 6 0
Insurance £200,000 at 1*s.* 6*d.* per cent.	150 0 0	
£57,500 at 2*s.* per cent.	57 10 0	
	207 10 0	
Stamps and Policies	0 0 2	
	207 10 2	
	£ s. d.	
Less 2½ per cent. on £150	3 15 0	
Less 10 per cent. on £142 10*s.*	14 5 0	
Less 5 per cent. on £57 10*s.*	2 17 6	
Less 10 per cent. on £54 12*s.* 6*d.*	5 9 3	
	26 6 9	
		181 3 5
		£1,533 1 5

E. O. E.
London, 6th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 54.

Expenses on shipment of *1,750 Silver Bars* and *one box* per s.s. "Marmora" to *Bombay* :—

	£ s. d.	£ s. d.
Freight £250,000 at 10*s.* per cent.		1,250 0 0
Port of London dues at 1½*d.* per cent.		15 12 6
6 sets of *Bills of Lading*		0 15 0
One box		0 4 6
Marking, Cartage, &c.—1,750 boxes at 1*s.* per bar		87 10 0
Insurance £200,000 at 1*s.* 6*d.* per cent.	150 0 0	
£57,500 at 2*s.* per cent.	57 10 0	
	207 10 0	
Stamps and Policies	0 0 2	
	207 10 2	
	£ s. d.	
Less 2½ per cent. on £150	3 15 0	
Less 10 per cent. on £142 10*s.*	14 5 0	
Less 5 per cent. on £57 10*s.*	2 17 6	
Less 10 per cent. on £54 12*s.* 6*d.*	5 9 3	
	26 6 9	
		181 3 5
		£1,535 5 5

E. O. E.
London, 6th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 55.

Bought on account of—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
95	99,956·61	At $28\frac{13}{16}$	12,000 0 0
	Brokerage ...	$\frac{1}{8}$ per cent.	15 0 0
			£12,015 0 0

Sold on account of—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Part No. 18A ...	99,956·61	At $28\frac{15}{16}$	12,052 1 2
	Creditors by difference ...		£37 1 2

E. & O. E.
London, 10th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 56.

Statement Number.	Number of Bars.	Gross Ounces.	Ounces Standard.
27	93 S.M.	120,031·75	129,432·88
16	407 T.	420,664	454,317·12
8	162 V.	185,391·5	200,222·82
50	477	512,774·75	553,788·32
	1,139	1,238,862	1,337,761·14
Less—brought forward from Memorandum of Substitution dated 28th August.			4,560·39
			1,333,200·75

Contract Number.	Ounces Standard	Price.	—
			£ s. d.
Finish 18 A ...	314,730·24	$28\frac{15}{16}$	37,947 18 10
19 A ...	374,026	$28\frac{7}{8}$	45,000 0 0
20 A ...	623,376·67	$28\frac{7}{8}$	75,000 0 0
Balance held at your disposal.	21,067·84		—
	1,333,200·75		£157,947 18 10

E. & O. E.
London, 10th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 57.

Expenses on shipment of *2,708 Silver Bars* and box of assays M.S. 8 and *80 boxes* of *Silver Coin*, shipped per s.s. "*Persia*" to *Bombay* :—

	£ s. d.	£ s. d.
Freight £400,000 at 10*s.* per cent.		2,000 0 0
Port of London dues at 1½*d.* per cent.		25 0 0
11 sets of *Bills of Lading* at 2*s.* 6*d.*		1 7 6
1 box for bar and assays, 80 boxes for Silver Coin at 4*s.* 6*d.* ...		18 4 6
Marking, cartage, &c. 2,708 bars at 1*s.*		135 8 0
Insurance £200,000 at 1*s.* 6*d.* per cent.	150 0 0	
£212,000 at 2*s.* per cent.	212 0 0	
	362 0 0	
Stamps and Policies	0 0 2	
	362 0 2	
	£ s. d.	
Less 2½ per cent. on £150	3 15 0	
„ 10 per cent. on £142 10*s.*	14 5 0	
	£ s. d. 18 0 0	
Less 5 per cent. on £212	10 12 0	
„ 10 per cent. on £201 8*s.*	20 2 10 30 14 10	48 14 10 313 5 4
		£2,493 5 4

E. & O. E.
London, 11th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 58.

Number of Bars.	Numbers on Bars.	Gross Ounces.	Ounces Standard.
308	F. 125,147/453	324,724·00	350,701·92
Less held at your disposal as per Statement No. 56			21,067·84
			329,634·08

Contract Number.	Ounces Standard.	Price.	——
89	329,634·08	29⅛ per oz. standard.	£ 40,002 s. 9 d. 4

E. & O. E.
London, 17th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 59.

Expenses on shipment of *308 Silver Bars* and one box of assays and *506 boxes of Mexican Silver Dollars*, shipped per s.s. "*Moldavia*" to *Bombay* :—

	£ s. d.	£ s. d.
Freight £101,000 at 10*s.* per cent.		505 0 0
Port of London dues at 1½*d.* per cent.		6 6 3
Marking, cartage, &c., 308 bars at 1*s.* per bar		15 8 0
Assay box		0 4 6
Bill of Lading		0 2 6
Boxes, marking, &c., 506 boxes at 4*s.* 6*d.* per box		113 17 0
Bill of Lading		0 2 6
Insurance £104,000 at 1*s.* 6*d.* per cent.	78 0 0	
Policies	0 0 2	
	78 0 2	
Less 2½ per cent. on £78	£1 19 0	
Less 10 per cent. on £74 2*s.*	7 8 2	
	9 7 2	
		68 13 0
		£709 13 9

E. O. E.
London, 20th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 60.

Number on Bars.	Numbers of Bars.	Gross Ounces.	Ounces Standard.
G. 1/44 ; G. 146/7 ; G. 154.	147	154,301·00	166,645·08

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
22 B	83,116·89	$28\frac{7}{8}$	10,000 0 0
23 B	83,528·19	$28\frac{3}{4}$	10,005 19 7
	166,645·08		20,005 19 7

E. O. E.
London, September 20th, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 61.

Bought on account of—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
16B	85,144·12	$28\frac{11}{16}$	10,177 7 8
		brokerage $\frac{1}{8}$ per cent.	12 14 5
			£10,190 2 1

Sold on account of—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
17A	85,144·12	$28\frac{13}{16}$	10,221 14 7
		Creditors by difference	£31 12 6

E. O. E.
London, 20th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 62.

Expenses on shipment of 147 *Silver Bars* and one box of assays per s.s. "*Matiana*," to Calcutta:—

	£ s. d.	£ s. d.
Freight £20,000 at 10*s.* per cent.		100 0 0
Port of London dues at 1½*d.* per cent.		1 5 0
Marking, Cartage, &c.—147 bars at 1*s.* per bar		7 7 0
Assay box		0 4 6
Bill of Lading		0 2 6
Insurance £20,600 at 1*s.* 6*d.* per cent.	15 9 0	
Policies	0 0 2	
	15 9 2	
£ s. d.		
Less 2½ per cent, on £15 9*s.* 0 7 9		
Less 10 per cent. on £14 13*s.* 6*d.* 1 9 4		
	1 17 1	
		13 12 1
		£122 11 1

E. O. E.
London, 20th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 63.

Number of Bars.	Gross Ounces.	Ounces Standard.
1,187	1,322,039	1,427,147·48

Contract Number.	Ounces Standard.	Price.	£	s.	d.
24 B	125,217·39	28¾	15,000	0	0
25 B	41,739·13	28¾	5,000	0	0
26 B	83,660·13	28 1/16	10,000	0	0
„	168,052·50	28 9/16	20,000	0	0
„	84,581·49	28⅜	10,000	0	0
„	366,507·59	28 13/16	44,000	0	0
68	258,295·95	27⅞	30,000	0	0
99	124,406·05	28 5/16	15,000	0	0
101	174,687·25	28⅞	21,017	1	2
	1,427,147·48		£170,017	1	2

E. O. E.
London, 26th September, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 64.

Ounces.
Mexican Dollars 506,000 shipped per s.s. "Moldavia."
„ „ 362,603 „ „ „ "Maloja."
ozs. 868,603.

Contract Number.	Ounces.	Price.	£	s.	d.
96...	868,603	28⅛	101,789	8	3

E. O. E.
London, 26th September, 1912.
S. MONTAGU & Co.,

STATEMENT No. 65.

Expenses on the shipment of 1,187 silver bars and one box of assays per s.s. *Simla* to *Calcutta* :—

	£	s.	d.	£	s.	d.
Freight £170,000 at 10s. per cent.				850	0	0
Port of London dues at 1½*d.* per cent.				10	12	6
Cartage, marking, &c. :—						
1,187 bars at 1s. per bar...				59	7	0
Box for assays				0	4	6
Bill of Lading				0	2	6
Insurance £176,000 at 1s. 6*d.* per cent.	132	0	0			
Policies and stamps	0	0	2			
	132	0	2			
	£	s.	d.			
Less 2½ per cent. on £132	3	6	0			
„ 10 per cent. on £125 8s.	12	10	10			
	15	16	10	116	3	4
				£1,036	9	10

E. & O. E.
London, 25th September, 1912.
S. MONTAGU & Co.,

STATEMENT No. 66.

Expenses on the shipment of 363 boxes of Mexican dollars per s.s. *Maloja* to *Bombay* :—

	£ s. d.	£ s. d.
Freight £42,500 at 10*s.* per cent.		212 10 0
Port of London dues at 1½*d.* per cent.		2 13 2
Boxes, cartage, marking, &c. :—		
363 boxes at 4*s.* 6*d.* per box		81 13 6
Bill of Lading		0 2 6
Insurance £44,000 at *1s. 6d.* per cent.	33 0 0	
Stamps and policies	0 0 2	
	33 0 2	
Less 2½ per cent. on £33	0 16 6	
„ 10 per cent. on £31 7*s.*	3 2 8	
	3 19 2	
		29 1 0
		£326 0 2

E. O. E.
London, 26th September, 1912.
S. MONTAGU & Co.,

STATEMENT No. 67.

Expenses on the shipment of 150 boxes of Mexican dollars per s.s. "*Maloja*" to *Bombay*.

	£ s. d.	£
Freight £17,500 at 10*s.* per cent.		87 10 0
Port of London dues at 1½*d.* per cent.		1 1 11
Boxes, cartage, &c. :—		
150 boxes at 4*s.* 6*d.* per box		33 15 0
Bill of Lading		0 2 6
Insurance £18,500 at *1s. 6d.* per cent.	13 17 6	
Stamps and Policies	0 0 2	
	13 17 8	
Less 2½ per cent. on £13 17 6	£0 6 11	
„ 10 per cent. on 13 3 8	1 6 4	
	1 13 3	
		12 4 5
		£134 13 10

E. O. E.
London, 27th September, 1912.
S. MONTAGU & Co.,

STATEMENT No. 68.

Number of Bars.	Gross Ounces.	Ounces Standard.
331	355,822	384,252·83

Contract Number.	Ounces Standard.	Price.	£ s. d.
72	172,972·96	27¾	20,000 0 0
77	59,600·88	28 3/16	7,000 0 0
79	42,572·06	28 3/16	5,000 0 0
82	84,581·49	28⅜	10,000 0 0
Part 15 B ...	24,525·44	28⅜	2,899 12 5
	384,252·83		44,899 12 5

E. O. E.
London, 3rd October, 1912.
S. MONTAGU & Co.

STATEMENT No. 69.

Expenses on shipment of 331 Silver Bars and box of Assays and 550 boxes of Silver Coin, per S.S. "Mongolia" to Bombay.

		£ s. d.	£ s. d.	£ s. d.
Freight	£65,000 Silver Coin 45,000 Bar Silver			
	£110,000 at 10*s.* per cent.			550 0 0
Port of London dues at 1½*d.* per cent				6 17 6
Two sets of Bills of Lading				5 0
Marking, cartage, etc.—				
Boxes, 1 for Assays 550 for Silver Coin	551 at 4*s.* 6*d.*			123 19 6
331 bars at 1*s.* per bar				16 11 0
Insurance, £116,800 at 1*s.* 6*d.* per cent			87 12 0	
Stamps and Policies			2	
			87 12 2	
Less 2½ per cent. on £87 12*s.* 0*d.*		2 3 10		
„ 10 „ „ £83 4*s.* 4*d.*		8 6 5		
			10 10 3	
				77 1 11
				£774 14 11

E. O. E.
London, 4th October, 1912
S. MONTAGU & Co.
W. CURTIS.

STATEMENT No. 70.

DEBIT NOTE for BROKERAGE on silver delivered from 27th August to 7th October, as per contracts detailed below :—

Contract Number.	Sterling Amount.			Contract Number.	Sterling Amount.		
	£	*s*	*d.*		£	*s*	*d.*
85	45,000	0	0	101	21,017	1	2
Ble. 75	20,152	13	9	96	101,789	8	3
89	40,002	9	4	72	20,000	0	0
22 B	10,000	0	0	77	7,000	0	0
23 B	10,005	19	7	79	5,000	0	0
24 B	15,000	0	0	82	10,000	0	0
25 B	5,000	0	0	Part 15 B	2,899	12	5
26 B	84,000	0	0				
68	30,000	0	0				
99	15,000	0	0		441,867	4	6

Brokerage $\frac{1}{8}$ % £441,867 4 6 ... ... £552 6 8

E. & O. E.
London, 7th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 71.

Number of Bars.	Gross Ounces.	Ounces Standard.
1969	2,179,864·75	2,353,222·09

STATEMENT No. 71—*continued.*

Contract Number.	Ounces Standard.	Price.	£	s	d.
Finish 15 B ...	325,227·69	$28\frac{3}{8}$	38,451	7	11
84 ...	1,012,747·20	$28\frac{7}{16}$	120,000	0	0
87 ...	125,764·18	$28\frac{5}{8}$	15,000	0	0
Part 88	889,483·02	$28\frac{13}{16}$	106,784	5	9
	2,353,222·09		£280,235	13	8

E. & O. E.
London, 10th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 72.

Number of Bars.	Gross Ounces.	Ounces Standard.
263	308,777·75	333,452·40

Contract Number.	Standard Ounces.	Price.	£	s.	d.
Part 88	333,452·40	$28\frac{13}{16}$	40,031	13	1

E. & O. E.
London, 11th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 73.

M. 1/150.—150 boxes of Mexican Dollars shipped per ss. "Maloja" to Bombay ... ounces gross 150,000
M. 151/700.—550 boxes of Mexican Dollars shipped per ss. "Mongolia" to Bombay ounces gross 550,000
M. 701/870.—170 boxes of Mexican Dollars shipped per ss. "Arabia" to Bombay ounces gross 170,074

ounces gross 870,074

Contract Number.	Ounces.	Price.	—
102	870,074	$28\frac{1}{4}d.$	£102,414 19*s.* 2*d.*

E. & O. E.
London, 11th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 74.

Expenses on the shipment of 1969 silver bars and 100 boxes of silver coin shipped per "Caledonia" to Calcutta.

Freight £280,000 bar silver.
11,800 silver coins.

	£	s.	d.
£291,800 at 10*s.* per cent.	1,459	0	0
Port of London Dues at $1\frac{1}{2}d.$ per cent.	18	4	9
Two sets of Bills of Lading	0	5	0
Marking, cartage &c., 1969 bars at 1*s.* per bar	98	9	0
Marking boxes, 100 boxes at 4*s.* 6*d.* per box	22	10	0
Carried forward ...	1,598	8	9

STATEMENT No. 74—*continued.*

	£	s.	d.	£	s.	d.
Brought forward						1,598 8 9
Insurance £200,000 at 1*s.* 6*d.* per cent.				150	0	0
£109,400 at 2*s.* per cent.				109	8	0
				259	8	0
Stamps and Polices				0	0	3
				259	8	3
Less 2½ per cent. on	150	0	0	3	15	0
Less 10 per cent. on	142	10	0	14	5	0
					18 0 0	
Less 5 per cent. on	109	8	0	5	9	5
Less 10 per cent. on	103	18	7	10	7	10
					15 17 3	
					33 17 3	
						225 11 0
						£1,823 19 9

E. & O. E.
London, 11th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 75.

Expenses on the shipment of 170 boxes of Silver Coin shipped per S.S. "Arabic" to Bombay.

	£	s.	d.	£	s.	d.
Freight £20,000 at 10*s.* per cent.				100	0	0
Port of London dues at 1½*d.* per cent.				1	5	0
Boxes cartage, marking, &c.—						
170 boxes at 4*s.* 6*d.* per box				38	5	0
Bill of Lading				0	2	6
Insurance £21,000 at 1*s.* 6*d.* per cent.	£15	15	0			
Stamps and policies	0	0	2			
	£15	15	2			
Less 2½ per cent. on £15 15*s.*	7	10	0			
Less 10 per cent. at £14 19*s.* 4*d.*	1	9	11			
	1	17	9	13	17	5
				153	9	11

E. & O. E.
London, 11th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No 76.

Expenses on the shipment of 263 Silver Bars and Assay box, and 291 boxes of silver coin per S.S. "Poona" to Calcutta.

Freight £40,000 Bar Silver
34,200 Silver Coin

	£	s.	d.	£	s.	d.
£74,200 @ 10*s.* per cent.				371	0	0
Port of London dues at 1½*d.* per cent.				4	12	9
2 sets of Bill of Lading				0	5	0
Marking Cartage, etc.						
263 bars at 1*s.* per bar				13	3	0
„ and boxes 291 boxes						
1 box for assays						
292 boxes at 4*s.* 6*d.* per box				65	14	0
Insurance £78,000 at 1*s.* 6*d.* per cent	£58	10	0			
Stamps and policies	0	0	2			
	58	10	2			
Less 2½ per cent. on £58 10 0	£1	9	3			
„ 10 „ „ 55 11 6	5	11	1	7	0	4
				51	9	10
				£506	4	7

E. & O. E.
London, 11th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 77.

Debit—

—	Gross Ounces.	Ounces Standard.
370 bars	396,490·75	428,210·01
Mexican dollars	15,194·75 (900 fine).	14,784·08
		442,994·09

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Balance 88 ...	442,994·09	$28\frac{13}{16}$	53,182 7 3

E. & O. E.
London, 18th October, 1912.
SAMUEL MONTAGU & CO.

STATEMENT No. 78.

Credit—

Sold on account of :—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
Part 26A... ...	283,224·50	$28\frac{13}{16}$	34,001 13 11

Debit—

Bought on accoun. of :—

Contract Number.	Ounces Standard.	Price.	—
			£ s. d.
88...	283,224·50	$28\frac{13}{16}$	34,001 13 11
	Brokerage $\frac{1}{8}$ °/₀ ...		42 10 0
			34,044 3 11
	Debtors to difference		42 10 0

E. & O. E.
London, 18th October, 1912.
SAMUEL MONTAGU & CO.

STATEMENT No. 79.

Expenses on the shipment of 370 silver bars and 416 boxes of silver coin per S.S. "Mantua" to Bombay.

Freight Bar silver £52,500
Silver coin 49,500

			£ s. d.
£102,000 at 10*s.* per cent.			510 0 0
Port of London dues at $1\frac{1}{2}$*d.* per cent.			6 7 6
Marking cartage &c. 370 bars at 1*s.* per bar			18 10 0
" " and boxes 416 boxes at 4*s.* 6*d.* per box			93 12 0
2 sets of Bill of Lading			5 0
Insurance £105,000 at 1*s.* 6*d.* per cent.	£78 15 0		
Stamps and policies	0 0 2		
	£78 15 2		
Less $2\frac{1}{2}$ per cent. on £78 15*s.* 0*d.*	£1 19 4		
Less 10 per cent. on £74 16*s.* 3*d.*	7 9 7		
	9 8 11		69 6 3
			£698 0 9

E. & O. E.
London, 18th October, 1912.
SAMUEL MONTAGU & CO.

STATEMENT No. 80.

Credit—

Sold on account of :—

Contract Number.	Ounces Standard.	Price.	—
Part 26A... ...	83,297·18	$28\frac{13}{16}$	£10,000

Debit—

Bought on Account of :—

Contract Number.	Ounces Standard.	Price.	—
90...	83,297·18	$28\frac{13}{16}$	£ s. d. 10,000 0 0
		Brokerage $\frac{1}{8}$ %	12 10 0
			£10,012 10 0
	Debtors to difference ...		£12 10 0

E. & O. E.
London, 18th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 81.

DEBIT—

			Gross ounces.
Shipped per s.s.	"Caledonia" to Calcutta.	Mexican dollars	100,000
" "	"Poona" "	"	291,000
" "	"Mantua" to Bombay.	"	400,000
" "	"Medina" "	"	946,411
		Gross ounces	1,737,411

Contract Number.	Gross Ounces.	Price.	—
103	1,737,411	$28\frac{11}{16}$	£ s. d. 207,674 18 2

E. O. E.
London, 25th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 82.

DEBIT NOTE for BROKERAGE on silver delivered from 8th October to 25th October as per contracts detailed below :—

Contract Number.	Sterling Amount.	Contract Number.	Sterling Amount.
	£ s. d.		£ s. d.
Finish 15 B	38,451 7 11	Balance 88	53,182 7 3
84	120,000 0 0	102	102,414 19 2
87	15,000 0 0	103	207,674 18 2
Part 88	106,784 5 9		
" 88	40,031 13 1		Total £683,539 11 4

Brokerage $\frac{1}{8}$% ... ... £854 8 6.

E. O. E.
London, 25th October, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 83.

Expenses on the shipment of 946 boxes of Silver Coin per ss. "Medina" to Bombay.

Freight £112,000 at 10*s.* per cent....			£560	0 0
Port of London dues at 1½*d.* per cent.			7	0 0
Boxes marking, cartage, etc.—				
946 boxes at 4*s.* 6*d.* per box			212	17 0
Bill of Lading			0	2 6
Insurance £116,000 at 1*s.* 6*d.* per cent.	£87	0 0		
Stamps and policies	0	0 2		
	£87	0 2		
Less 2½ per cent. on £87 0 0	£2	3 6		
„ 10 „ „ 82 13 0	8	5 3	10	8 9
			76	11 5
			£856	10 11

E. O. E.

London, 25th October, 1912.

SAMUEL MONTAGU & Co.

STATEMENT No. 84.

Debit Note of charges connected with the deposit of 12,829 Silver Bars in the Bank of England.

	£	*s.*	*d.*
Total deposit charges at 4*d.* per bar per month from the dates at which the various parcels were deposited until their withdrawal	527	9	8
Less the amount already debited on account, in Statement No. 34—and paid for ...	395	7	4
	132	2	4
Cartage to Bank of England, etc.	30	0	0
	£162	2	4

E. O. E.

London, 25th October, 1912.

SAMUEL MONTAGU & Co.

STATEMENT No. 85.

Credit:—

Sold on account of:

Contract Number.	Ounces Standard.	Price.			
		d.	£	*s.*	*d.*
21A	208,695·65	28¾	25,000	0	0
22A	83,116·89	28⅞	10,000	0	0
23A	83,478·26	28¾	10,000	0	0
24A	125,217·39	28¾	15,000	0	0
25A	41,739·13	28¾	5,000	0	0
26A	83,660·13	28 11/16	10,000	0	0
26A	168,052·50	28 9/16	20,000	0	0
26A	84,581·49	28⅝	10,000	0	0
	878,541·44		£105,000	0	0

Debit:—

Bought on Account of:

Contract Number.	Ounces Standard.	Price.			
		d.	£	*s.*	*d.*
91...	84,581·49	28⅝	10,000	0	0
92...	168,052·50	28 9/16	20,000	0	0
93...	83,660·13	28 11/16	10,000	0	0
94...	83,116·89	28⅞	10,000	0	0
97...	83,478·26	28¾	10,000	0	0
98...	125,217·39	28¾	15,000	0	0
100...	250,434·78	28¾	30,000	0	0
	878,541·44		105,000	0	0
		Brokerage ⅛%	131	5	0
			105,131	5	0
		Dr. to difference	131	5	0

E. & O. E.

London, 28th October, 1912.

SAMUEL MONTAGU & Co.

STATEMENT No. 86.

Shipment from China of :—

Sycee and British dollars ex s.s. "India."

Debit—

Sycee net out-turn ounces standard—2,492,700·33.

Contract—

					£	*s.*	*d.*
A.	Ounces Standard	833,900·11	at	$28\frac{13}{16}$	99,751	8	9
C.	„	830,900·11	at	$28\frac{7}{8}$	199,935	6	9
K.	„	830,900·11					
		2,492,700·33			£299,686	12	6

British dollars net out-turn ounces standard—1,668,086·82.

Contract—

					£	*s.*	*d.*
B.	Ounces Standard	834,043·41	at	$28\frac{13}{16}$	200,257	5	11
D.	„	834,043·41					
		1,668,086·82			£499,943	18	5
	Brokerage, $\frac{1}{8}$ per cent.				624	18	7
					500,568	17	0
	Less pre-melting charges				166	1	5
					£500,402	15	7

Cr.

				£	*s.*	*d.*
By Payments :—	3	October	... ...	375,000	0	0
	9	„	... ...	60,000	0	0
	10	„	... ...	40,000	0	0
	18	„	... ...	14,520	11	1
	23	„	... ...	10,000	0	0
	25	„	... ...	257	5	11
				£499,777	17	0

E. & O. E.
London, 11th November, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 87.

Sycee and British dollars ex s.s. "China."

Debit.

				£	*s.*	*d.*
Sycee.	Net out-turn ounces standard 2,479,789·20.					
Contract L	ounces standard 826,596·40	at	$28\frac{13}{16}d.$	99,234	12	4
Part M	„ „ 1,653,192·80	at	$29\frac{1}{8}d.$	200,621	16	8
	ounces standard 2,479,789·20			299,856	9	0
British dollars.	Net out-turn ounces standard 824,686·72.					
Contract N	standard ounces 824,686·72	at	$29\frac{1}{8}d.$	100,079	3	4
				399,935	12	4
Brokerage $\frac{1}{8}$ per cent. ...	... ...			499	18	5
				400,435	10	9
Less premelting charges Rs. 2,748 ...	... ...			165	4	0
				400,270	6	9
Additional amount recovered by the Mint from the Sycee *ex.* s.s. "India" :—						
Contract A, ozs. std. 386 at $28\frac{13}{16}d.$	... ...			46	6	9
				£400,316	13	6

E. & O. E.
London, 5th December, 1912.
SAMUEL MONTAGU & Co.

STATEMENT No. 88.

DEBIT NOTE for BROKERAGE for Sycee and British Dollars as per contracts detailed below :—

Contract.	*Sterling Amount.*
E.	£100,000
F.	50,000
G.	100,000
H.	50,000
I.	100,000
J.	50,000
Balance M.	300,000
	£750,000
Brokerage $\frac{1}{8}$ per cent. ...	£937 10*s.*

E. & O. E.
London, 5th December, 1912.
SAMUEL MONTAGU & CO.

APPENDIX C.

MESSRS. SAMUEL MONTAGU & CO.'S BULLION LETTER, DATED 2ND MAY, 1912.

GOLD.

Over £1,000,000 in bar gold arrived; after provision of £175,000 for India, the bulk of the remainder will be sent into the Bank of England.

The following amounts were received by the bank :—

April	25	... £141,000	in bar gold.
„	26	... 53,000 „	„
„	26	... 16,000 „	sovereigns from France.
„	27	... 24,000 „	„ „ Australia.
„	30	... 151,000 „	bar gold.
May	1	... 254,000 „	„

Withdrawals were made as under :—

April	25	... £100,000	in sovereigns for Turkey.
May	1	... 50,000 „	German gold coin.

During the week the net influx was £489,000.

SILVER.

The month of April witnessed a degree of life and animation in the movements of silver to which the market has been unaccustomed of recent years except under the stress of artificial manipulation by speculators.

It is true that in the early part of the month a squeeze for delivery was in progress at Bombay following on the foundering of the s.s. "Oceana" with its large silver cargo, but neither occurrence had much appreciable effect upon London prices.

Heavy sales made to China and substantial purchases for the continent and elsewhere, gradually imparted a more lively sensation of elasticity than has been felt throughout the long period that unwieldy stocks have oppressed and overshadowed the market.

In such conditions prices became increasingly sensitive on receipt of cables showing each week a decrease in the total of silver rupees in the Indian currency reserve.

When, therefore, the speculative group (who, by the way, are reputed to have held the whole surplus—about 9,000 bars—remaining over in Bombay at the conclusion of the April settlement, at which the squeeze in delivery we have referred to, occurred) replaced toward the close of the month on successive days, not only the silver let out to the cornered dealers, but also that previously sold to China, the market was impelled sharply to higher prices, considerably above those of the last three or four years.

Whether the reduction of the quantity of silver rupees in the Indian Treasury be the factor which governed the action of the Indian speculators in again replenishing their holding, or not, the issue sooner or later of large loans to the Chinese Government renders the accumulation of additional stocks less likely to interfere with the natural developments of the market, and consequently does not hazard the future to the extent that such operations did, when they rested upon Indian coinage prospects alone for their success, and when such a consummation moreover was so exceedingly remote.

The lowest prices were recorded on the first day of the month, the highest on the last.

(2.)

We append statistics for April :—

Highest price ...	... $28\frac{3}{16}$	cash $28\frac{3}{8}$	2 months.
Lowest price ...	... $26\frac{3}{4}$	„ $26\frac{13}{16}$	„
Average price ...	... 27·283	„ 27·406	„

Forward silver commanded a premium throughout the month of $\frac{1}{16}d.$ on 7 days, of $\frac{1}{8}d.$ on 11 days, and of $\frac{3}{16}d.$ on 6 days.

This week has been notable for the way in which speculation has run riot in Bombay, where the prices of silver for shipment from London rose above that for near delivery for the first time for nearly six weeks.

As a consequence purchases here for that quarter have been on quite a heavy scale.

The cash and 2 months' quotations rose here $\frac{3}{16}d.$ on the 26th, and after some reaction touched $28\frac{3}{16}$ and $28\frac{3}{8}$ respectively on the 30th, and remained at these figures the next day. Cash silver had not been so high since the 25th October, 1907, nor forward silver since the 5th November, 1907.

There was again a decrease in the total silver held in the Indian Currency reserves on this occasion of only 23 lacs. Probably this fact accounts for the liquidation in Bombay to-day, which was reflected in a fall here of $\frac{1}{16}d.$ in the price of cash, and $\frac{1}{8}d.$ in that of forward silver.

The offtake in Bombay is reduced from 195 to 100 bars a day ; the stock is called unchanged, but that in Shanghai has risen from 267 to 270 lacs of taels in bars and Sycee.

No shipment has been made this week from San Francisco to Hong Kong.

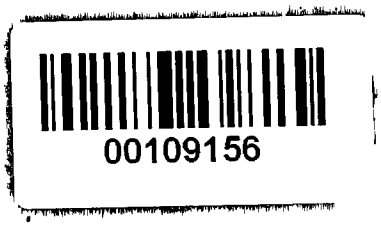
The quotations to-day for cash and 2 months are $\frac{5}{16}d.$ above those quoted a week ago.

Yours obediently,
SAMUEL MONTAGU & Co.

Quotations for bar silver per oz. standard.

April 26	... 28	cash $28\frac{1}{8}$	2 months	
„ 27	... $27\frac{13}{16}$	„ 28	„	
„ 29	... $27\frac{15}{16}$	„ $28\frac{1}{16}$	„	
„ 30	... $28\frac{3}{16}$	„ $28\frac{2}{8}$	„	
May 1 ...	... $28\frac{3}{16}$	„ $28\frac{3}{8}$	„	
„ 2 ...	... $28\frac{1}{8}$	„ $28\frac{1}{4}$	„	
Average for the week ...	28·041	„ 28·197	„	

Bank Rate	...	$3\frac{1}{2}$ per cent.
Bar Gold per oz. standard ...	...	77*s.* 9*d.*
French Gold Coin per oz. ...	...	76*s.* 4*d.*–$4\frac{1}{2}d.$
German Gold Coin per oz. ...	...	76*s.* $3\frac{1}{2}d.$–4*d.*
U.S.A. Gold Coin per oz. ...	...	76*s.* $3\frac{1}{2}d.$–4*d.*
		Nominal.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